2. Compensation Report

2.1 Overview

Throughout 2020, the Board continued to discuss compensation policy and approach with many of Schneider Electric's largest shareholders, as well as investor representative bodies. The Vice-Chairman & Lead Independent Director met with 28 investors, representing ~40% of the share capital during two shareholders engagement campaigns dedicated to Governance, one in March ahead of the AGM and one in fall, and reported back to the Governance & Remunerations Committee and to the Board thereon. This dialogue will be pursued in 2021 to ensure that the Board took the feedback into account to determine the compensation of the Corporate Officers.

The 2020 policy received a very large support from the shareholders at the 2020 Annual Shareholders' meeting and the subsequent engagement with the shareholders thereon did not raise any concerns. After a previous year where the Compensation policy was largely reviewed to take into account the expectations expressed by the shareholders, for example, on the post-mandate benefits and the new LTIP criteria, the Board of Directors decided not to materially change the compensation policy for 2021 which appears balanced and provides market competitive pay, ensuring a strong link between pay and performance, strong alignment with both employees and shareholders, and long-term focus.

89%

of the shareholder votes cast supported 2019 compensation decisions for the Chairman and CEO

90%

approved the principles and criteria governing 2020 compensation for the Chairman and CEO

93%

of the shareholders supported the 2020 compensation report

Group's strategic priorities

- Organic growth
- Value for customers
- Sustainability
- Continuous efficiency
- Value & returns to shareholders

How the strategy links to the Corporate Officers' variable compensation

Annual incentive plan

Delivering strong execution and creating value for customers and shareholders every year to contribute to Schneider Electric's long-term success, in line with the financial objectives communicated to the market

Group organic sales growth	Group adjusted EBITA margin improvement	Group cash conversion rate	Schneider Sustainability Impact
40%	30%	10%	20%

Long-term incentive plan

Building an integrated and leading company with strong sustainability focus and attractive returns to shareholders

Adjusted Earnings Per Share	Relative Total Shareholder Return	Relative Sustainability Index
40%	35%	25%

2020 performance highlights

Business performance

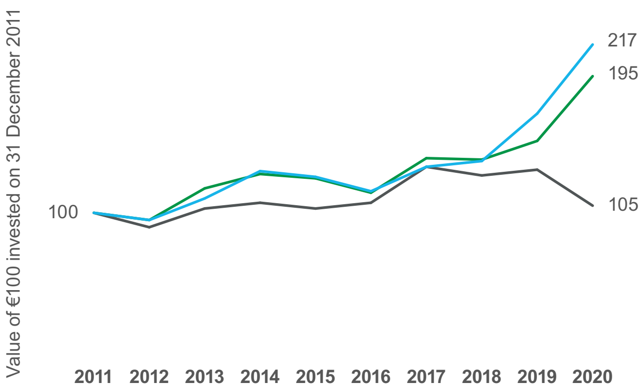
2020 was a signature year. Schneider Electric's financial performance was resilient, with intensive and agile execution ensuring a strong finish and demonstrating a step-change in sustainability.

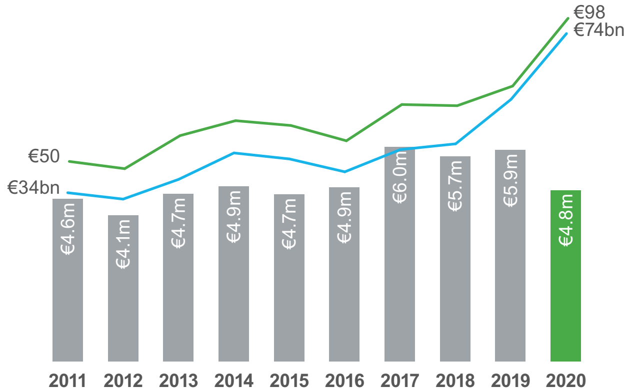
Revenue	Adjusted EBITA (organic)	Strong cash conversion	Progress on Schneider Sustainability Impact
€25.2bn	€3.9bn	159%	9.32

Note: Cash conversion was 159% in 2020 (before the impact of IFRS 16).

Positioning in relation to the Company's performance
CEO compensation *vs.* shareholder value creation – share price and enterprise value growth over 10 years

(re-based to 100)





- Total effective compensation after reduction (base salary + actual annual incentive + IFRS value of LTI granted in the year in reference multiplied by actual achievement rate)
- SE share price
- Enterprise value

Note: LTI grants for 2019 and 2020 are presented "at target".

Summary of the compensation realized during the year 2020
Jean-Pascal Tricoire, Chairman and CEO (Euros)

Salary	STIP	LTIP	Other
875,000	1,048,775	6,968,935(1)	457,376

(1) LTIP represents realized value of shares vested in 2020 (LTIP 2018).

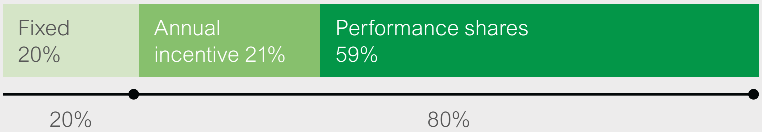
2.2 General report on the compensation granted or paid out during the 2020 fiscal year (*ex-post* compensation)

2.2.1 Pillars and principles

The principles and criteria determining the 2020 compensation described in this section were overwhelmingly supported by the shareholders at the Annual Shareholders' Meeting on April 23, 2020. They are deemed to constitute the last policy approved by the shareholders in the meaning of Article L. 22-10-8 of the French Commercial Code and govern the entirety of the compensation granted by the Group to the Corporate Officers until the next policy is approved by the shareholders.

<table>
<tr><th>Pillar</th><th>How It is reflected in the Group 2020 Compensation Policy</th></tr>
<tr><td>Pay-for-performance</td><td>
Principle 1: Prevalence of variable components: circa 80% for CEO (at target).

A prevalent part of the Corporate Officer target package shall be variable; the 2020 target package thus consist of approximately 80% variable pay component (excluding pension payments).

Chairman and Chief executive officer:
On target pay mix


Principle 2: Performance evaluated via economic and measurable criteria.

Performance is evaluated via criteria that are mainly economic (80% of variable cash compensation and 75% of multi-year Performance Shares) and measurable, which are selected based on KPIs used in the market communication and drivers of the Group's strategy. All criteria have measurable targets approved by the Board at the beginning of the performance period, ensuring targets are achievable but demanding.

Principle 3: Financial and Sustainability objectives fairly balanced and distributed between short-term (annual incentive) and medium-term (long-term incentive) components.

2020 Annual Incentive (80% financial):
• 40% Group organic sales growth
• 30% Adjusted EBITA margin (organic) improvement
• 20% Schneider Sustainability Impact
• 10% Group cash conversion rate

2020 Long-term incentive (75% financial and TSR):
• 40% Adjusted EPS
• 35% Relative Total Shareholder Return
• 25% Schneider Sustainability Index
</td></tr>
<tr><td>Alignment with shareholders' interests</td><td>
Principle 4: Significant proportion of the total compensation delivered in shares.

The Corporate Officer's target package consists of approximately 60% long-term share-based benefits, meaning their compensation is subject to the same share price volatility that shareholders experience.

Principle 5: Performance conditions aligned to shareholders' expectations and Schneider Electric's strategic priorities.

Performance criteria were selected from financial indicators that are most representative of Group performance and that are closely linked to shareholder value creation. Performance levels required to reach targets were set at the beginning of the year in line with the objectives disclosed to the market at the same time as the results of the previous fiscal year and were supplemented by factors that enable the Group to offer a long-term and satisfactory development outlook for all stakeholders in the Company's success.
</td></tr>
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Competitiveness

Principle 6: To benchmark the Corporate Officers' compensation package "at target" in the median range of the Company's peer group.

Schneider Electric competes for talent in a global marketplace. Most of the Group's key competitors are headquartered outside France. To reflect this, the International Peer group consists of 24 French, European, and US companies that are comparable to Schneider Electric in size or industry sector, or that represent a potential source of recruitment or attrition. Compensation levels for Corporate Officers are reviewed annually and benchmarked by reference to the median of this peer group to ensure they remain reasonable and appropriately competitive. This benchmarking is primarily used to establish a frame of reference for what competitors are paying to comparable roles, rather than as the main factor for making compensation decisions.

The 2020 peer group which did not change compared to 2019 included European and US-based companies:

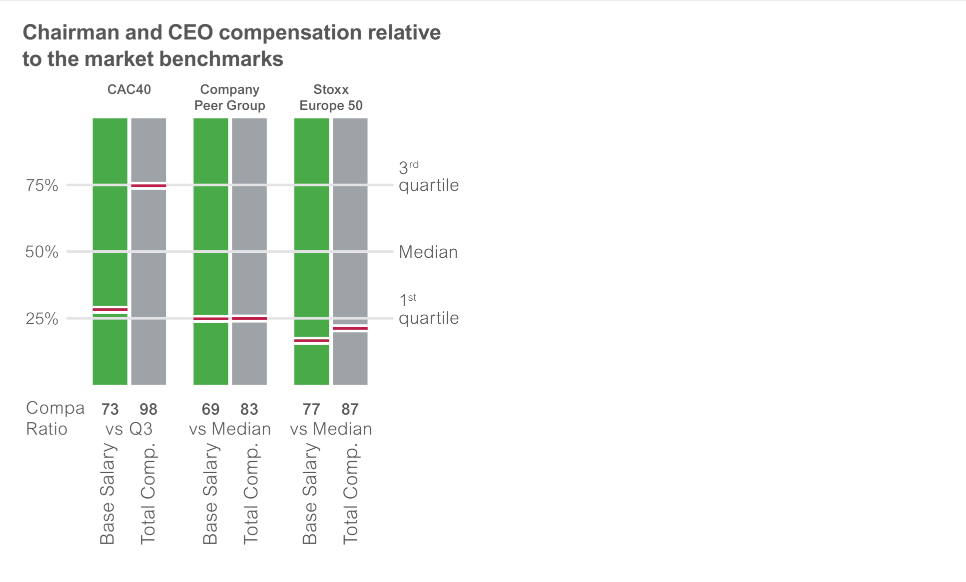
- Business competitors (in particular, those identified in the Long-term incentive plan as performance peers for TSR comparison purposes);
- Talent competitors for operational and functional roles; and
- "Acceptance" peers (*i.e.* groups of a similar size, business, or structure)

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 Thyssenkrup	Eaton Emerson Honeywell Johnson Controls Rockwell Automation	Autodesk PTC

Principle 7: To reference the CAC 40 third quartile and the Stoxx Europe 50 median.

The Board reviews Corporate Officer's compensation with reference to the upper quartile of the CAC 40 companies and the median of the Stoxx Europe 50 companies, in line with the Group's position within these panels.

Positioning of 2020 at target compensation of Schneider Electric's Corporate Officer relative to the market benchmarks



Total compensation includes base salary, annual incentive at target, and IFRS value of Performance Shares granted during the year.

2.2.2 Chairman & CEO’s compensation in relation to the 2020 fiscal year

At its meeting on February 10, 2021, after examining the suitability and fairness of the outcome of the 2020 compensation policy for the Corporate Officer and its alignment with the Group’s performance, as well as hearing the report of the Governance & Remunerations Committee, the Board determined the Corporate Officer's compensation for 2020 in accordance with the principles and criteria previously approved by the shareholders in April 2020 at the Annual Shareholders’ Meeting. The outcome is detailed and commented hereinafter along with the performance results for each component of the compensation.

Table summarizing the compensation paid or granted to the Chairman and CEO in 2020

The following table summarizes the compensation and benefits awarded or paid to the Chairman and CEO for the fiscal years 2020 and 2019, presented on a reported basis in accordance with AFEP-MEDEF guidelines as well as on a realized basis, *i.e.* where performance conditions assessment have ended in the reported fiscal year.

Jean-Pascal Tricoire Chairman & Chief executive officer (Euro)	Compensation & benefits awarded for fiscal year		Compensation & benefits realized in fiscal year	
	2020	2019	**2020**	2019
A – CASH COMPENSATION				
Fixed compensation	**875,000**	1,000,000	**875,000**	1,000,000
Annual variable compensation(1)	**1,048,775**	1,717,300	**1,048,775**	1,171,300
Compensation in relation to the Director’s office	**0**	0	**0**	0
SUBTOTAL (A) (CASH)	**1,923,775**	2,717,300	**1,923,775**	2,717,300
B – LONG TERM INCENTIVE				
Valuation of the Performance Shares	**2,897,700(2)**	3,230,340(2)	**6,968,935(3)**	5,464,838(3)
SUBTOTAL (B) LONG TERM INCENTIVE	**2,897,700**	3,230,340	**6,968,935**	5,464,838
C – PENSION CASH BENEFIT				
Complementary payment for pension building (fixed)	**191,600**	191,600	**191,600**	191,600
Complementary payment for pension building (variable)	**229,652**	329,035	**229,652**	329,035
SUBTOTAL (C) PENSION CASH BENEFIT	**421,252**	520,635	**421,252**	520,635
D – OTHER BENEFITS				
Other benefits(4)	**36,124**	36,218	**36,124**	36,218
SUBTOTAL (D) OTHER BENEFITS	**36,124**	36,218	**36,124**	36,218
TOTAL COMPENSATION AND BENEFITS (A)+(B)+(C)+(D)	**5,278,851**	**6,504,493**	**9,350,086**	**8,738,991**

(1) The annual incentive for the fiscal year 2019 was paid in 2020 after approval by the shareholders at the Annual Shareholders’ Meeting of April 23, 2020 of the 7th resolution relating to the compensation paid, due, or awarded to Jean-Pascal Tricoire in respect of the 2019 fiscal year. Hence, the total compensation in cash actually **paid** in the fiscal year 2020 to Jean-Pascal Tricoire amounts to **€3,112,935** (2020 fixed compensation + 2019 annual incentive + fixed portion of pension benefit for 2020 + variable portion of pension benefit for 2019). Likewise, in accordance with Article L.22-10-34 II of the French Commercial Code, the variable elements in cash awarded to Jean-Pascal Tricoire for the financial year 2020 will only be paid in 2021, subject to their prior approval by the shareholders at the Annual Shareholders’ Meeting of April 28, 2021 under the 6th resolution.

(2) **Value of Performance Shares granted during fiscal year** – As per AFEP-MEDEF Corporate governance code methodology, compensation is presented on a reported basis. Long-term incentives for the fiscal year include Performance Shares granted during the fiscal 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.

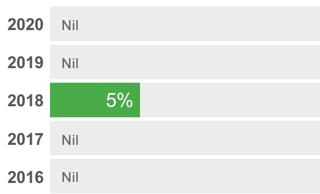
(3) **Value of Performance Shares deemed vested during the fiscal year** – In order to facilitate the analyses, the Long-term incentives are also presented on realized value basis, where the value of Performance Shares corresponds to the actual number of shares (granted in previous years) deemed vested at the end of the fiscal year, after reduction for performance conditions, multiplied by the share price on December 31, 2019 or 2020, as the case may be.

(4) **Other benefits** include company car, employer matching contributions to capital increase for employees or contributions to Employee Saving Plan and to collective Pension Saving Plan (PERCO) as well as benefits from French profit-sharing plan.

Say on pay table relating to the compensation paid or granted to the Chairman and CEO in 2020

The fixed, variable, and exceptional components of the total compensation and benefits paid in or awarded for the fiscal year 2020 to the Corporate Officer, as detailed below, will be submitted to the shareholders for approval at the 2021 Annual Shareholders' Meeting of April 28, 2021 under the 5th and 6th resolutions.

The tables below summarize the compensation paid during the past fiscal year and compensation awarded for the past fiscal year, along with a description of how each component was calculated in compliance with the compensation policy in force.

Elements of compensation submitted to the vote	Amounts	Description
Fixed compensation	**€875,000** (amount due for 2020 paid in 2020) *Reminder: €1,000,000 (amount due for 2019 paid in 2019)*	**Reminder of the 2020 compensation policy** Theoretical gross annual fixed compensation of €1,000,000 for the fiscal year 2020 according to the compensation policy was set by the Board of Directors on February 19, 2020 upon recommendation from the Governance & Remunerations Committee and approved by the Annual Shareholders' Meeting of April 23, 2020. For 2020, the Board decided not to award a salary increase to the Corporate Officer. The fixed compensation is reviewed at long intervals by the Board in accordance with the AFEP-MEDEF Corporate governance code. It reflects the scale and complexity of the business and the level of responsibility attached to the role and is set reasonably competitive with the external market. Base salary element represents approximately 20% to 25% of total target compensation for Corporate Officer. **Salary increase over the last 5 years**  **Application of the 2020 compensation policy** As announced on April 8, 2020 and as a practical expression of solidarity with the Group employees affected by the COVID-19 crisis, Mr. Jean-Pascal Tricoire volunteered to contribute 25% of his fixed compensation for six months to the Tomorrow Rising Fund which purpose is described in chapter 2, section 5 of the Universal Registration Document. Hence, his fixed compensation paid during and for the fiscal year 2020 amounted to €875,000 instead of €1,000,000.
Annual variable compensation	**€1,048,775** (amount due for 2020 to be paid in 2021) *Reminder: €1,717,300 (amount due for 2019 paid in 2020)*	**Reminder of the 2020 compensation policy** The annual variable compensation rewards achievement of the short-term financial, and sustainability (corporate and social responsibility) objectives of the Group. The pay-out opportunity is as follows: • at threshold performance: 0% of the fixed compensation; • at target: 130% of the fixed compensation; • at maximum over-performance: 260% of the fixed compensation. The payment of the variable annual cash compensation is conditional upon approval by shareholders of the compensation granted to the concerned Corporate Officer. The structure of the 2020 Annual variable compensation focuses on what matters to Schneider Electric in delivering value to shareholders. 100% of the variable compensation depends on measurable objectives. As a reminder, in 2019, the annual variable compensation structure was simplified from eight performance criteria to four, with 80% financial and 20% sustainability based criteria, while removing the portion based on individual assessment by the Board. The financial criteria (organic sales growth (40%), adjusted EBITA margin (30%), and cash conversion (10%)) closely align pay outcomes for the Corporate Officer to Schneider Electric's financial performance. The significant part is subject to the Schneider Sustainability Impact (20%) highlighting the importance of sustainability on Schneider Electric's business agenda. The Board also ensured that more stringent targets were set for the annual variable compensation with maximum award only payable if a strong performance is delivered on each performance metric.

Annual variable compensation
(continued)

Application of the 2020 compensation policy

In view of the worldwide COVID-19 crisis Mr. Jean-Pascal Tricoire decided voluntarily to donate 25% of his fixed compensation for six months to the Tomorrow Rising Fund. In consultation with him, the Board of Directors considered that the reduction to his fixed compensation in 2020 (due to the donation of 25% of his fixed remuneration over 6 months to the Tomorrow Rising Fund) should also be reflected in the basis of calculation of his annual variable compensation due for 2020. Therefore, the outcome of the variable compensation is applied on his actual fixed annual compensation of €875,000, instead of a normative annual compensation of €1,000,000.

The annual incentive due for 2020 was determined by the Board at the meeting of February 10, 2021, based on the attainment rate of the objectives set for fiscal year 2020 as reviewed by the Board of Directors at its July 28, 2020 meeting.

Indeed, the guidance announced at the beginning of 2020 was withdrawn in March 2020 due to the COVID-19 crisis. In July 2020, after assessing the first half of 2020 results, the Board issued a new 2020 guidance demonstrating the good resilience of the Group in a challenging year. At that time, for the 2020 annual variable compensation of the Chairman and CEO, the Board resolved to use the discretion clause provided in the existing compensation policy on the basis that:

- The COVID-19 crisis constitutes an exceptional circumstance external to the Group;
- The teams and the CEO had to work in a very challenging environment requiring them to be fully committed and to constantly adapt themselves to a situation changing daily;
- The Group's interest was to continue to incentivize, within a reasonable level, the Corporate Officer and all employees to drive the performance of the Company and keep all teams motivated to achieve the new guidance issued.

The Board therefore decided in July 2020 that:

- The use of the discretion clause shall ensure the payout outcome of the Corporate Officer is aligned with shareholders' experience and consistent with the approach applied to ~58,000 employees of the Group who participate in a similar annual variable plan with the same criteria as the one used for the Chairman & CEO;
- The use of the discretion clause will impact the Chairman & CEO's annual variable compensation for the two objectives linked to organic sales growth (40%) and adjusted EBITA margin improvement (30%) set at the beginning of the year and align them with the new targets published in July 2020 (Revenue between -7% to -10% organic, Adjusted EBITA margin between -0.5 pts to -0.8 pts organic);
- The use of the discretion clause would be fully disclosed in the 2020 Universal Registration Document and submitted to the shareholders' vote at the 2021 Annual Shareholders' Meeting;
- The outcome of the variable compensation will be reviewed to ensure that there is an alignment between pay and performance, taking into account the overall economic circumstances and the achievements of the Company compared to the market and its peers.

It is important to note that the discretion clause has not been applied to the Long Term Incentive Plans, hence there were no amendments to any LTIP targets and plans which remained unchanged.

At its meeting on February 10. 2021, the Board of Directors first assessed the two criteria not affected by the application of the discretion clause. These two criteria, *i.e.* the cash conversion rate and the Schneider Sustainability Impact, amounted to a 46.4% achievement rate.

	Weight (%)	Performance range			**Achievement**	
2020 performance criteria		Threshold 0%	Target 100%	Maximum 200%	**2020 results**	**Achievement rate (weighted)**
Cash conversion rate	10%	85%	100%	115%	**159%**	**20.0%**
Schneider Sustainability Impact (score)	20%	8	9	10	**9.32**	**26.4%**
Total	30%					**46.4%**

- Efforts on cash management delivered excellent results, the free cash-flow was €3.67bn. Cash conversion was 159% (excluding IFRS 16) in 2020 on a normalized basis which represented a maximum achievement rate of 20% on this criterion.
- The Schneider Sustainability Impact (SSI), the Group's three-year (2018-2020) transformation plan which measures the progress towards its ambitious sustainability commitments reached a good result of 9.32/10, exceeding the target set for this criterion, representing an achievement rate of 26.4%.

Annual variable compensation (continued)

For the two other criteria (organic sales growth and Adjusted EBITA margin), considering the excellent resilience that the Company demonstrated in 2020 through the COVID-19 crisis and the exceptional total shareholders return achieved (Schneider Electric ranked 2nd of the CAC40 and 1st of its Peer group in 2020), the Board of Directors confirmed its decision to use the discretion clause.

The Board assessed the results achieved by the Group for these two criteria as follows:

- Despite the challenging circumstances the Group delivered organic sales growth of -4.7%, a level which clearly exceeded the guidance of -10% to -7% given in July, and also the revised guidance of -7% to -5% given in October;
- Adjusted EBITA margin increased organically by +0.2 pts thanks to a combination of tactical savings and productivity actions, a very strong performance that exceeded the guidance of July of -0.8 pts to -0.5 pts and also the one of October 2020 of -0.2 pts to +0.1 pts.

However, after careful consideration of the annual incentive potential outcomes for the Chairman and CEO, the Board decided not to use these revised targets as a reference for the annual variable compensation assessment as this would have resulted in an achievement rate close to 140% for these two performance criteria alone (organic sales growth and adjusted EBITA margin).

In view of this and the unprecedented circumstances in 2020, the Board carefully reviewed the options. Much emphasis was given to a strong alignment between pay and performance taking into account the particular challenges in this year, and the achievements of the Group compared to its market and peers. The Board acknowledged the excellent leadership in this exceptional period by the Chairman and CEO and the resilient results achieved by the Group.

The Board decided to award 45.8% achievement on the mentioned two criteria. This represents a reduced level as compared to "on target" (70%) and "maximum" (140%) but reflecting the various considerations. This resulted in a total annual achievement rate of 92.2%, slightly below target (taking into account the effect of the voluntary compensation reduction mentioned above, the actual achievement rate is 80.7% which can be compared to 132.1% in 2019).

The Board noted that the achievement rate of 92.2% of the Group objectives is consistent with the result for the Group part of the annual variable plan applicable to ~58,000 Schneider Electric's employees globally and that the average outcome for the participants of this programme was above 100% due to the individual part of the plan which does not apply to the Chairman and CEO (for more details, see section 4.6 of Chapter 2 of the Universal Registration Document).

When making this decision, the Board also took in consideration the following items:

- The Group did not benefit from significant grants established by the countries impacted by the pandemic, and chose not to resort to the exceptional liquidity support schemes proposed by the French state to overcome the crisis, nor the French special COVID-19 crisis scheme of partial unemployment;
- The response from the management of the Group to recognize the efforts demonstrated by all employees globally during the challenging year and complexities caused by COVID-19, including;
  - the special positive adjustment applied to the outcome of the annual incentive plan;
  - the reversal of COVID-19 pay reduction impact on calculation of the annual incentive pay-out – contrary to the approach taken for the Chairman and CEO;
  - a one-time payment to recognize the exceptional effort of Schneider Electric field employees.

As a result, the 2020 Annual variable compensation pay-out for the Corporate Officer was calculated on the base of his actual fixed compensation (including the pay-cut linked to the COVID-19 crisis) as follows:

At Target pay-out		Achievement rate	**2020 Actual pay-out**	
as a % of salary	Amount (€)	as a % of target	**as a % of salary**	**Amount (€)**
130%	€ 1,137,500(1)	92.2%	**104.9%(2)**	**€ 1,048,775**

(1) Considering the COVID-19 fixed pay reduction agreed by the Chairman and CEO, the target pay-out of the Annual variable compensation due for 2020 is €1,137,500 instead of €1,300,000 according to the Compensation policy approved by the shareholders at the Annual Shareholders' Meeting held on April 23, 2020.
(2) Calculated as % of the fixed compensation specified in the 2020 Policy, before reduction.

2. Compensation Report

Annual variable compensation (continued)

2020 performance criteria	Weight (%)	Performance range: Threshold 0%	Performance range: Target 100%	Performance range: Maximum 200%	Achievement: 2020 results	Achievement: Achievement rate (weighted)
Group financial indicators (80%)						
Organic sales growth	40%	BOARD'S DISCRETION			**-4.7%**	**45.8%**
Adj. EBITA margin improvement (org.)	30%				**+0.2pts**	
Cash conversion rate	10%	85%	100%	115%	**159%**	**20.0%**
Sustainability (20%)						
Schneider Sustainability Impact	20%	8	9	10	**9.32**	**26.4%**
Total	100%					**92.2%**

In compliance with Article L.22-10-34 II of the French Commercial Code, the payment of this Annual variable compensation is subject to approval by the shareholders of the compensation granted to the Corporate Officer for the fiscal year 2020 (cf. 6th resolution to be submitted to the Annual Shareholders' Meeting of April 28, 2021).

As a reminder, an amount of €1,717,300 was paid in 2020 to Mr. Jean-Pascal Tricoire for the Annual variable compensation due for the fiscal year 2019 after the approval of the 7th resolution by the Annual Shareholders' Meeting on April 23, 2020 (cf. page 278 of the 2019 Universal Registration Document).

Long-term incentive (Performance shares)

60,000 Performance Shares granted in March 2020 (€2,897,700 according to IFRS valuation)

Reminder: 60,000 Performance Shares granted in March 2019 (€3,230,340 according to IFRS valuation)

Reminder of the 2020 compensation policy

The 2020 Compensation policy provided:

- a maximum annual award to the Chairman and CEO of 60,000 shares;
- a vesting period of three years with an additional mandatory one year holding period for 30% of shares granted under the plan reserved to the Corporate Officer;
- performance conditions as follows:

40% Improvement of Adjusted Earnings Per Share (EPS)	Average of the annual rates of achievement of Adjusted EPS improvement targets for the 2020 to 2022 fiscal years. Adjusted EPS performance is published in the external financial communications and its annual variance will be calculated using adjusted EBITA at constant FX from year N-1 to year N. Foreign exchange impacts below adjusted EBITA will be taken in full. Significant unforeseen scope impact could be restated from this calculation upon decision of the Board.	
35% Relative TSR	**17.5% *vs.* CAC 40 companies**	• 0% below median • 50% at median (rank 20) • 100% at rank 10 • 120% at ranks 1 to 4* *linear between these points*
	17.5% *vs.* a panel of 11 peer companies (ABB, Legrand, Siemens, Eaton, Emerson, Honeywell, Johnson Controls, Rockwell Automation, Fuji Electric, Mitsubishi Electric, and Yokogawa)	• 0% at rank 8 and below • 100% at rank 4 • 150% at ranks 1 to 3* *linear between these points*
25% Schneider Sustainability External & Relative Index (SSERI)	**6.25% DJSIW**	• 0%: not in World • 50%: included in World • 100%: sector leader
	6.25% Euronext Vigeo	• 0%: out • 50%: included in World 120 or Europe 120 • 100%: included in World 120 & Europe 120
	6.25% FTSE4GOOD	• 0%: out • 50%: included in Developed or Environmental Leaders Europe 40 indexes • 100%: included in Developed & Environmental Leaders Europe 40 indexes
	6.25% CDP Climate Change	• 0%: C score • 50%: B score (25% at B-) • 100%: A score (75% at A-)

* The over-achievement of relative TSR performance condition can off-set the under-achievement of the objectives under the adjusted EPS performance condition.

Long-term incentive (Performance shares) (continued)

Application of the 2020 compensation policy

The volume of the maximum annual award was set in consideration of:
- The market practice and competitive positioning of the Chairman and CEO's compensation package;
- The Group's resilient performance;
- The new structure of performance measurement governing the final acquisition of LTIP awards;
- The culture of ownership deeply rooted in Schneider Electric's DNA.

According to the authorization given by the Annual Shareholders' Meeting on April 25, 2019 in its 21st resolution, the Board of Directors, during its meeting of March 24, 2020 decided to grant Mr. Jean-Pascal Tricoire a total of 60,000 Performance Shares (representing 0.01% of Schneider Electric's share capital) subject to the performance criteria described above and measured over a period of three years:
- 18,000 Performance Shares under Plan n° 36 in his capacity as Chairman and CEO of Schneider Electric SE;
- 42,000 Performance Shares under Plan n° 37 in his capacity as Chairman of Schneider Electric Asia Pacific.

Pension benefits

€ 421,252 (amount due for 2020 (fixed portion of €191,600 paid in 2020 and variable portion of €229,652 to be paid in 2021))

Reminder: €520,635 (amount due for 2019 (fixed portion of €191,600 paid in 2019 and variable portion of €329,035 paid in 2020))

Reminder of the 2020 compensation policy

Complementary payments are intended to take account of the fact that, following the decision of the Board of Directors on February 18, 2015 to remove the benefit of the defined-benefit pension scheme (Article 39) for Corporate Officers, Mr. Jean-Pascal Tricoire is personally responsible for building up his pension. He undertook to redirect these complementary payments, net of taxes, to investment vehicles devoted to financing his additional pension. To determine this authorized complementary compensation, the Board of Directors sought the recommendation of an independent expert, namely the firm Willis Towers Watson, and ensured that the mechanism implemented therefore, was in line with shareholders' interests.

Accordingly, Mr. Jean-Pascal Tricoire is entitled to receive annually a complementary component, split into a fixed and variable portion as follows:

	Variable portion				
Fixed portion	Target (% of Fixed)	Minimum	At target	Maximum	Total at Target
€191,600	130%	€0	€249,080	€498,160	€440,680

The variable part is dependent on performance criteria aligned with the variable annual compensation (see above).

Application of the 2020 compensation policy

At the meeting held on February 10, 2021, the annual complementary variable portion for 2020 to be paid after the Annual Shareholders' Meeting if the latter approves it, was set by the Board of Directors at 104.9% of the annual complementary fixed portion, *i.e.* an achievement rate of 92.2% on a 100 baseline.

For 2020, Mr. Jean-Pascal Tricoire is entitled to receive:

Fixed amount	Target achievement rate	Variable amount(1)	**Total due for 2020**
€191,600	130%	€ 229,652	**€ 421,252**

(1) Calculated by applying to the fixed compensation above the percentage of target achievement determined for the calculation of the 2020 annual variable compensation, *i.e.* 92.2%.

In compliance with applicable law, the payment of the variable amount will be subject to shareholders' approval (cf. 6th resolution submitted to the Annual Shareholders' Meeting of April 28, 2021).

Reminder: an amount of €329,035 was paid in 2020 to Mr. Jean-Pascal Tricoire for the variable portion of his pension due for the fiscal year 2019 after its approval by the Annual Shareholders' Meeting on April 23, 2020 (cf. page 279 of the 2019 Universal Registration Document).

Other benefits	**€36,124** received in 2020 *Reminder: €36,218 received in 2019*	**Reminder of the 2020 compensation policy** The Compensation policy provides that the Chairman and CEO may benefit from: • the employer matching contributions; • the profit-sharing; • a company car; • supplementary Life & Disability scheme. **Application of the 2020 compensation policy** For the fiscal year 2020, the Chairman and CEO was eligible for profit-sharing and the employer matching contributions paid to Employee Saving Plan subscribers. In addition, he was eligible for the employer matching contributions paid to subscribers to the collective pension fund (PERCO) for the retirement of workers in France. The use of a company car in 2020 represented an equivalent cost of €26,345.

Employer matching contributions to Employee Saving Plan	Employer matching contributions to collective pension saving plan (PERCO)	Profit-sharing	Company car	Total 2020 benefits
€1,404	€800	€7,575	€26,345	**€36,124**

The Chairman and CEO is eligible for (i) the collective welfare plan applicable to employees of Schneider Electric SE and Schneider Electric Industries SAS covering the risks of illness, incapacity, disability, and death and (ii) additional coverages conditional on the fulfilment of some conditions as described in the compensation policy (cf. chapter 3, section 2.3.1 of the Universal Registration Document).

Termination benefits	No payment	**Involuntary Severance Pay** The Chairman and CEO is entitled to involuntary termination benefits in case of change of control or strategy and taking into account the non-compete compensation described below, is capped at twice the arithmetical average of his annual fixed and variable compensation paid over the last three years. (cf. chapter 3, section 2.3.1 of the Universal Registration Document). **Non-compete compensation** The Chairman and CEO is entitled to non-compete compensation for a period of one year capped at 6/10ths of his average gross compensation (*i.e.* including annual complementary payments – fixed and target variable) over the last 12 months of service. (cf. chapter 3, section 2.3.1 of the Universal Registration Document).

For 2020, Mr. Jean-Pascal Tricoire was not awarded nor did he benefit from multi-annual variable compensation, exceptional compensation, stock options, welcome bonus, or Directors' fees.

Employer social contributions paid by the Group's companies in respect of Mr. Jean-Pascal Tricoire's compensation amounted to €390,857 in 2020.

Mr. Jean-Pascal Tricoire is granted 30% of his cash compensation described above (fixed compensation, annual variable compensation and pension complementary payments) in consideration for his duties as a Corporate Officer (Chairman and CEO) of Schneider Electric SE exclusively. The remainder is granted to him for the discharge of his operational duties as Chairman of Schneider Electric Asia Pacific and executive Director of Schneider Electric USA Inc.

Details relating to the 2018 Long-term Incentive Plan realized in 2020

The performance period for shares granted in 2018 finished on December 31, 2020 and shares under the Plans n° 30 and 31 are therefore deemed vested. Their final acquisition is, however, still subject to the satisfaction of the presence condition at the delivery date.

At its meeting of February 10, 2021, the Board assessed the achievement rate of the performance criteria based on the Group's performance over the three-year period 2018 – 2020 and set the final rate of achievement at 98.18%, *i.e.* a reduction of 1.82% in relation to the number of shares originally granted.

The Chairman and CEO has conditionally been granted 18,000 shares under Plan n° 30 and 42,000 shares under Plan n° 31. After applying the reduction for performance not achieved, the resulting outcomes were as follows:

Corporate Officer	Number of Shares (Plan n° 30)(1)	Number of Shares (Plan n° 31)	Number of shares deemed vested	No of shares lapsed	Value of deemed vested shares(2)
Jean-Pascal Tricoire	18,000	42,000	**58,909**	1,091	**6,968,935**
Vesting date	March 26, 2021	March 26, 2021			

(1) Plan n° 30 – Performance Shares granted under this plan to Corporate Officer is subject to one-year holding period following vesting, therefore shares will only become unrestricted on March 26, 2022.
(2) Vested shares are valued at the closing share price of December 31, 2020, *i.e.* €118.3.

Shares granted under the 2018 LTIP were subjected to performance conditions as follows:

40%
Adjusted
EBITA

Average achievement rate for 2018, 2019 & 2020
2018
Actual result: +0.5pts
Achievement rate: 100%
2019
Actual result: +0.7pts
Achievement rate: 100%
2020
Actual result: +0.2 pts
Achievement rate: 40%

Weighted rate: 32%

25%
Cash
conversion rate

Average achievement rate for 2018, 2019 & 2020
2018
Actual result: 90%
2019
Actual result: 121%
2020
Actual result: 159%

Weighted rate: 37.5%(1)

20%
Schneider Sustainability
Impact

Index between 8 and 10 at year end 2020
2020
Actual result: 9.32

Weighted rate: 18.18%

15%
Relative
TSR

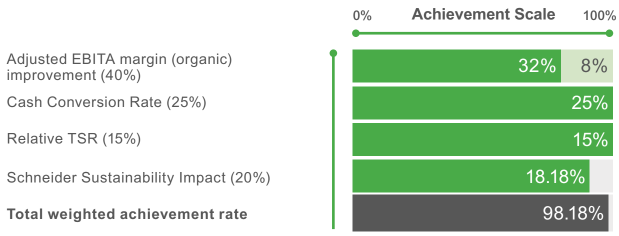
Ranking *vs.* peer group in December
2020
Actual result: Rank 1st

Weighted rate: 22.5%(1)

(1) The good level of cash conversion exceeded the initial target and the over-performance of the relative TSR condition off-set the under-performance of the adjusted EBITA condition (for 8%).

2020 was the final year of performance measurement for the LTIP 2018. Schneider Electric ranked 1st on relative TSR, delivering c. 75% return to shareholders over the same three-year period, demonstrating a strong value creation for the shareholders. Schneider Electric delivered robust organic adjusted EBITA margin improvement year-on-year, largely beating initial targets, exceeding the cash conversion rate three-year target, and demonstrating consistent progress on the Group's sustainability targets which are at the heart of the Group's strategy. These strong results across the range of performance criteria led to a vesting outcome of 98.18% out of 100%.

LTIP 2018 Performance criteria achievement



- **Organic adjusted EBITA margin improvement (40%)** – During the 3 years plan, the adjusted EBITA organic margin improved by more than +0.45 pts on average, reflecting the successful execution of the strategy combining top line growth, positive net pricing, better mix, industrial productivity, and better efficiency to reduce SFCs. Despite of the COVID-19 crisis, the adjusted EBITA margin increased organically by +0.2 pts in 2020 thanks to a combination of tactical savings and productivity actions. Overall, the achievement rate for this criterion was 32% (out of 40%).

- **Cash conversion (25%)** – Our efforts on cash management delivered outstanding results consistently over the three-year period with an average cash conversion rate c. 123%, outperforming the target of 100% average cash conversion. 2020 was particularly remarkable with a 159% cash conversion rate. The achievement rate for this criterion was set at 37.5%, including the over-performance of 12.5%, which contributed to the offsetting of the non-achievement of the adjusted EBITA margin criterion.

- **Relative TSR (15%)** – The Group's performance was acknowledged by the market and reflected in the stock price increase, which, combined with a robust dividend distribution policy and consistent share buy-back program to balance the dilution coming from allocation of Performance Shares and employee shareholding schemes, generated strong returns to shareholders over the period. Schneider Electric's TSR was ranked 1st versus the selected peers (ABB, Legrand, Siemens, Eaton, Emerson, Honeywell, Johnson Controls, Rockwell Automation, Fuji Electric, Mitsubishi Electric, and Yokogawa). The achievement rate for this criterion was set at 22.5%, including the over-performance of 7.5%, which contributed to the offsetting of the non-achievement of the adjusted EBITA margin criterion.

- **Planet & Society Barometer/Schneider Sustainability Impact (SSI) (20%)** – The barometer provides, on a scoring scale of 10, an overall measure of the Group's progress on sustainability issues. Over the last three years, Schneider Electric demonstrated strong delivery and continuous improvement on its suitability programs. The barometer reached a score of 9.32 out of 10 versus the ambitious target of 10.0 set by the Board for this criterion, which resulted in an achievement rate of 79.6% for 2020 with overall 18.18% shares vesting out of 20% allocated to this criterion.

Historical vesting of the Corporate Officers' Performance Share plans:

LTIP 2018	LTIP 2017	LTIP 2016	LTIP 2015	LTIP 2014	LTIP 2013
98.18%	99.54%	91.46%	71%	78%	100%

2.2.3 Former Deputy CEO's compensation in relation to the 2020 fiscal year

Mr. Emmanuel Babeau, former Deputy CEO of Schneider Electric, left the Group on April 30, 2020. The Board of Directors, at the meeting on February 28, 2020, based on the recommendation of the Governance & Remunerations Committee, authorized the Company to enter into an agreement with Mr. Babeau which was executed on March 2, 2020 in accordance with the procedure of the regulated agreements of Article L. 225-38 of the French Commercial Code. The Annual Shareholders' Meeting held on April 23, 2020 approved this agreement both under the regulated agreements' procedure (5th resolution) and the compensation policy applicable in 2020 to Mr. Emmanuel Babeau as part of his departure (10th resolution). The components of the compensation thus approved has already be paid to him.

Table summarizing the compensation paid or granted to the former Deputy CEO in 2020

The following table summarizes the compensation and benefits awarded or paid to the former Deputy CEO for the fiscal years 2020 and 2019, presented on a reported basis in accordance with AFEP-MEDEF guidelines as well as on a realized basis, *i.e.* where performance metrics assessment have ended in the reported fiscal year:

Emmanuel Babeau Former Deputy Chief executive officer and CFO (Euro)	Compensation & benefits awarded for fiscal year		Compensation & benefits realized in fiscal year	
	2020	2019	**2020**	2019
A – CASH COMPENSATION				
Fixed compensation	**212,500**	680,000	**212,500**	680,000
Annual incentive(1)	**226,667**	898,280	**226,667**	898,280
Compensation in relation to the Director's office	**0**	0	**0**	0
SUBTOTAL (A) (CASH)	**439,167**	1,579,290	**439,167**	1,579,290
B – LONG TERM INCENTIVE				
Valuation of the Performance Shares	**0**(2)	1,399,814	**2,097,222**(3)	2,368,203(3)
SUBTOTAL (B) LONG TERM INCENTIVE	**0**	1,399,814	**2,097,222**	2,368,203
C – PENSION CASH BENEFIT				
Complementary payment for pension building (fixed)	**51,100**	153,300	**51,100**	153,300
Complementary payment for pension building (variable)	**51,100**	202,509	**51,100**	202,509
SUBTOTAL (C) PENSION CASH BENEFIT	**102,200**	355,809	**102,200**	355,809
D – OTHER BENEFITS				
Other benefits(4)	**9,154**	13,944	**9,154**	13,944
SUBTOTAL (D) OTHER BENEFITS	**9,154**	13,944	**9,154**	13,944
TOTAL COMPENSATION AND BENEFITS (A)+(B)+(C)+(D)	**550,521**	**3,347,847**	**2,647,743**	**4,316,236**

(1) The annual variable compensation for the fiscal year 2019 and 2020 was paid in 2020 after approval by the shareholders at the Annual Shareholders' Meeting of April 23, 2020 of the 8th and 10th resolutions relating to the compensation paid, due, or awarded to Emmanuel Babeau in respect of the 2019 and 2020 fiscal year. Hence, the total compensation in cash actually **paid** in the fiscal year 2020 to Emmanuel Babeau amounts to **€1,642,156** (2020 fixed compensation + 2020 annual variable compensation + 2019 annual variable compensation + fixed portion of pension benefit for 2020 + variable portion of pension benefit for 2020 + variable portion of pension benefit for 2019).
(2) **Value of Performance Shares granted during fiscal year** – No Performance Shares were granted to Mr. Babeau in 2020, as he has left the Group on April 30, 2020.
(3) **Value of Performance Shares deemed vested during the fiscal year** – The Long-term incentives 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 fiscal year, after reduction for performance conditions, multiplied by the share price on December 31, 2019 or 2020, as the case may be.
(4) **Other benefits** include company car, contributions to collective Pension Saving Plan (PERCO) as well as benefits from French profit sharing plan.

Details of the compensation paid or granted to the former Deputy CEO in 2020

Elements of compensation submitted to the vote	Amounts	Description
Fixed compensation	**€212,500** (amount due for 2020 paid in 2020) *Reminder: €680,000 (amount due for 2019 paid in 2019)*	The amount of the annual base salary of the former Deputy CEO remained unchanged for 2020, *i.e.* €680,000 for a full year. The base salary paid to Mr. Emmanuel Babeau was calculated on a *prorata temporis* basis until the termination date of his term of office as Deputy CEO, *i.e.* an amount of €226,667 until April 30, 2020 as base salary. As announced on April 8, 2020 and as a practical expression of solidarity with the Group's employees affected by the COVID-19 crisis, Mr. Emmanuel Babeau volunteered to contribute 25% of his fixed compensation until the end of his term (one month) to the Tomorrow Rising Fund which purpose is described in chapter 2, section 5 of the Universal Registration Document. Hence, his fixed compensation paid during and for the fiscal year 2020 amounted to €212,500 instead of €226,667.
Annual variable compensation	**€226,667** (amount due for 2020 paid in 2020) *Reminder: €898,280 (amount due for 2019 paid in 2020)*	The Board acknowledged Mr. Emmanuel Babeau's contribution for the 2020 fiscal year and the assistance he provided to ensure a smooth transition in the best conditions. As a result, the target level (*i.e.* 100% of the fixed compensation) – and not the maximum (*i.e.* 200%) – of the annual incentive of €680,000 set forth for the 2020 fiscal year, was deemed reached for the former Deputy CEO and applied on a *prorata temporis* basis until the termination date of his term of office as Deputy CEO. The portion of the annual incentive due for the 2020 fiscal year was thus €226,667.
Long-term incentive (Performance shares)	No Performance Shares granted in 2020 *Reminder: 26,000 Performance Shares granted in March 2019 (€1,399,814 according to IFRS valuation)*	Mr. Emmanuel Babeau was not granted any Performance Shares under the 2020 Long-term incentive plan.
Pension benefits	**€102,200** (amount due for 2020 (fixed portion of €51,100 and variable portion of €51,100 paid in 2020)) *Reminder: €355,809 (amount due for 2019 (fixed portion of €153,300 paid in 2019 and variable portion of €202,509 paid in 2020))*	Mr. Emmanuel Babeau received as, complementary cash payment for pension building for 2020, the following amounts, calculated on a *prorata temporis* basis until the termination date of his term of office as Deputy CEO: • fixed portion: €51,100 (based on an annual amount of €153,300); and • variable portion (at target): €51,100 (based on an annual amount of €153,300 for a variable portion equal to 100% of the fixed portion if the target level is deemed reached for the 2020 fiscal year).

2. Compensation Report

Other benefits	**€9,154** received in 2020 *Reminder: €14,743 received in 2019*	For the fiscal year 2020, Mr. Emmanuel Babeau received benefits related to Profit-sharing and use of a company car in 2020, which represented an equivalent cost of €1,579.

Employer matching contributions to capital increase for employees	Employer matching contributions to collective pension saving plan (PERCO)	Profit-sharing	Company car	**Total 2020 benefits**
€0	€0	€7,575	€1,579	**€9,154**

For the duration of his mandate in 2020, Mr. Emmanuel Babeau was eligible for (i) the collective welfare plan applicable to employees of Schneider Electric SE and Schneider Electric Industries SAS covering the risks of illness, incapacity, disability, and death, and (ii) additional coverages conditional on the fulfilment of some conditions as described in the compensation policy (cf. chapter 3, section 2.3.1 of the Universal Registration Document).

Termination benefits

Involuntary Severance Pay

Mr. Emmanuel Babeau was entitled to involuntary termination benefits in case of change of control or strategy and taking into account the non-compete compensation described below, amounting to twice the arithmetical average of his annual fixed and variable compensation (*i.e.* inclusive of compensation and complementary payments) paid over the last three years (cf. page 273 of the 2019 Universal Registration Document).

Non-compete compensation

The Board of Directors reviewed the contractual conditions currently applicable to the Corporate Officers as part of their status, which was amended for the last time on February 14, 2018 and approved under the procedure of the regulated agreements and commitments at the Annual Shareholders' Meeting of April 24, 2018.

The Board of Directors, during its meeting of February 28, 2020, after hearing the report of the Governance & Remunerations Committee and deliberating thereon, decided to modify the term of the previous non-compete agreement in order to further protect the Company and Group's interests after the departure of the former Deputy CEO, which was subsequently approved by the Shareholders at the Annual Shareholders' Meeting of April 23, 2020.

The terms of this new agreement were as follows:
- scope extended to positions as employee, executive, and non-executive officer (and in particular, any participation in a governance body) and to any activity providing services or consultancy within or to the companies already covered by the initial non-compete agreement as well as companies in the engineering and industrial software sector;
- term of the non-compete commitment extended to two years (instead of 12 months under the previous commitment);
- additional restrictive covenants of: (i) non-solicitation, (ii) non-disparagement, (iii) confidentiality, and (iv) cooperation in the context of legal or administrative proceedings involving the Company, all binding Mr. Emmanuel Babeau for a period of two years.

Subject to compliance with the terms of all these commitments and covenants, Mr. Emmanuel Babeau was entitled to retain the unvested Performance Shares granted to him in 2018 and 2019, in proportion to the time of his presence over the vesting period of the Performance Share plans concerned and subject to the original performance conditions applicable to those shares and the plan rules.

For 2020, Mr. Emmanuel Babeau was not awarded nor did he benefit from multi-annual variable compensation, exceptional compensation, stock options, welcome bonus, or Directors' fees.

Employer social contributions paid by the Group's companies in respect of Mr. Emmanuel Babeau's compensation amounted to €612,335 in 2020.

Details relating the 2018 Long-term Incentive Plan realized in 2020

The performance period for shares granted in 2018 finished on December 31, 2020 and shares under the Plans n° 30 and 31 are therefore deemed vested.

At the meeting of February 10, 2021, the Board assessed the achievement rate of performance criteria based on the Group's performance over the three-year period 2018-2020 and set the final rate of achievement at 98.18%, *i.e.* a reduction of 1.82% in relation to the number of shares originally granted (chapter 3, section 2.2.2, of this Universal Registration Document for the detail of the achievement of the Performance conditions).

The former Deputy CEO has conditionally been granted 5,417 shares under Plan n° 30 and 12,639 shares under Plan n° 31 (reduced in proportion to the time of his presence over the vesting period as described in the 2019 Universal Registration Document). After applying the reduction for performance not achieved, the resulting outcomes are as follows:

Former Corporate Officer	Number of Shares (Plan n° 30)(1)	Number of Shares (Plan n° 31)	Number of shares deemed vested	No of shares lapsed	Value of deemed vested shares(2)
Emmanuel Babeau	5,417	12,639	**17,728**	328	**2,097,222**
Vesting date	March 26, 2021	March 26, 2021			

(1) Plan n° 30 – Performance Shares granted under this plan to Corporate Officers are subject to one-year holding period following vesting, therefore shares will only become unrestricted on March 26, 2022.
(2) Vested shares are valued at the closing share price of December 31, 2020, *i.e.* €118.3.

2.2.4 Non-executive Directors' compensation in relation to the 2020 fiscal year

Amounts granted to non-executive Directors are determined by taking into account the Board member's responsibilities, the expected commitment for the role and the competitive market rates among international peers. Besides the fixed base amount, Directors' compensation mostly depends upon the said Directors' attendance at Board and committee meetings.

Upon the recommendation from the Governance & Remunerations Committee, the Board of Directors is responsible for setting the allocation of the Directors' fees among Board members accordingly with the maximum annual amount of Directors' fees that can be paid to the Board members is set at €2,500,000 by the Annual Shareholders' Meeting held on April 25, 2019; and the 2020 compensation policy approved by the Annual Shareholders' Meeting held on April 23, 2020 which provides that the allocation rules of the fees to the non-executive Directors are as follows:

- Non-executive Directors are paid:
  - a fixed basic amount of €25,000 for membership of the Board;
  - an amount of €7,000 per Board meeting attended;
  - an amount of €4,000 per Committee meeting attended;
  - an amount of €5,000 (for intercontinental travel) or €3,000 (for intra-continental travels) per Board session physically attended.
- Additional annual payments are made to non-executive Directors who chair a Committee to reflect the additional responsibilities and workload:
  - Audit & Risks Committee: €20,000;
  - Human Resources & CSR Committee, Digital Committee, and Investment Committee: €15,000; and
  - Vice-Chairman and Lead Independent Director, who is also the Chairman of the Governance & Remunerations Committee: €250,000.
- For an observer, an annual fixed payment of €20,000 is paid, unless they become a non-executive Director at the next General Meeting. In this case, they will receive the same fees for attending the Board and committee meetings as non-executive Directors.
- All payments are pro-rated for time served during the year and are paid in cash.

2. Compensation Report

Directors' compensation earned in 2019 and 2020 was as follows, noting that Jean-Pascal Tricoire, Chairman of the Board, and Xiaoyun Ma who represents the employee shareholders, waived the payments of the compensation they were entitled to as members of the Board:

	Directors' compensation (in euros)		Other compensation & benefits (in euros)		Total (in euros)	
	2020(1)	2019(2)	2020(1)	2019(2)	2020(1)	2019(2)
Léo Apotheker	272,479	379,000	–	–	272,479	379,000
Betsy Atkins(3)	–	41,877	–	–	–	41,877
Cécile Cabanis	147,000	107,000	–	–	147,000	107,000
Rita Felix(4)	47,753	–	–	–	47,753	–
Carolina Dybeck Happe(3)	–	57,726	–	–	–	57,726
Antoine Gosset-Grainville(3)	–	32,877	–	–	–	32,877
Fred Kindle	353,973	163,000	–	–	353,973	163,000
Willy Kissling	192,000	156,000	–	–	192,000	156,000
Linda Knoll	174,000	152,000	–	–	174,000	152,000
Jill Lee	133,000	–			133,000	–
Xiaoyun Ma(4)(5)	–	–	–	–	–	–
Xuezheng (Mary) Ma(3)	–	12,767	–	–	–	12,767
Patrick Montier(4)	129,000	92,000	–	–	129,000	92,000
Fleur Pellerin	166,000	125,000	–	–	166,000	125,000
Anders Runevad	152,000	113,000	–	–	152,000	113,000
Gregory Spierkel	205,000	156,000	–	–	205,000	156,000
Lip-Bu Tan	150,000	106,000	–	–	150,000	106,000
Total	2,122,205	1,694,247			2,122,205	1,694,247

(1) Awarded for the fiscal year 2020 and paid in 2021.
(2) Awarded for the fiscal year 2019 and paid in 2020.
(3) Board members whose term of office ended in 2019.
(4) Employee Directors are separately entitled to the compensation granted to them for the performance of their duties as an employee, such compensation is not affected by their office as a Director and is not disclosed.
(5) Xiaoyun Ma waived the payment of the sum of €149,000 she was entitled to.

The total amount awarded to the Board members for 2020 was €2,122,205 compared to €1,694,247 for 2019 due to an increased number of meetings in 2020. Excluding the special fee paid to the Vice-Chairman & Lead Independent Director, the amount is composed of approximately 20% fixed compensation and 80% variable.

2.2.5 Pay Equity ratio

Employees experience at Schneider Electric

Delivery of the strategy, both short term and long term, depends upon Schneider Electric's success in attracting and engaging a highly talented workforce, and on equipping people with the skills for the future. The Group is committed to fair pay, which is at the forefront of the Group's and executives' agenda, ensuring that all Schneider Electric employees are appropriately and fairly rewarded for their contribution. The progress is monitored via the Schneider Sustainability Impact Indicators. More information can be found in the Sustainability section of this report, page 144.

Pay Equity	Living wage	Recognition	Well-being	Engagement
Since 2015, as part of its HeForShe commitments, the Group has developed and implemented a pay equity framework; proactive actions have been taken to not only close existing gender pay gaps but also to prevent gaps from being created in the first place. Furthermore, the pay equity adjustment is fully integrated into the annual global salary review and its principles leveraged during the promotion and hiring processes.	Schneider Electric believes earning a decent wage is a basic human right and is committed to paying employees in the lower salary ranges at or above the living wage to meet their family's basic needs. By basic needs, the Group considers food, housing, sanitation, education, and healthcare, plus discretionary income for a given local standard of living.	Schneider Electric is committed to creating a culture where employees receive regular feedback and coaching from their managers and colleagues, celebrating people who constantly demonstrate the Company's Core Values and go above and beyond – using global recognition portal "Step Up" and encouraging the recognition of small and big achievements by simply saying "Thank you".	Health and well-being are embedded in the Schneider Electric strategic people priorities and contribute to its core sustainability mission. The Company has a commitment to strive, at a minimum, that 90% of Schneider Electric's employees have access to a comprehensive well-being at work program translated into dual standard of access to healthcare and well-being training programs further detailed in the "Well-being in our DNA", subsection 4.2.4 of this Universal Registration Document.	The Group listens to employees through a number of different channels, both formally and informally. Two of the Board directors are employees of the Company, appointed through a formal designation process; the Group runs OneVoice internal survey designed to measure employee satisfaction and engagement; the Group also recognizes the importance of dialog and engages with the local work councils on compensation matters on a regular basis.

Pay Equity Ratio

Equity pay ratio measures the ratio between the level of compensation of the Chairman and CEO, and former Deputy CEO and CFO, and the average and median compensation of the employees, as required by Article L.22-10-9-3 6° and 7° of the French Commercial Code.

Calculation methodology

The compensation comparisons and pay ratios set out below were calculated based on the fixed and variable compensation paid and relevant benefits during the fiscal years indicated, including IFRS value of the Performance Shares granted during the same periods.

Scope

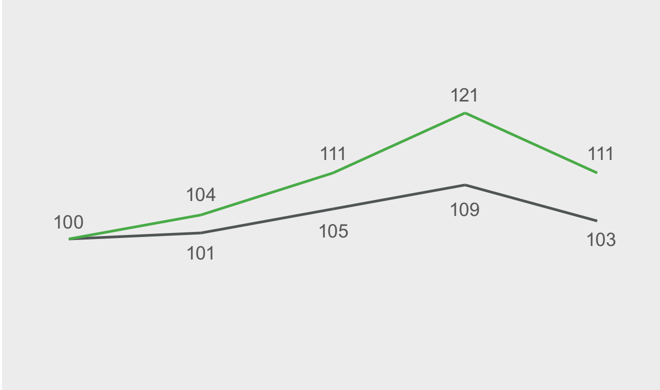
The legal scope, the issuer, comprises of only one employee, therefore, an alternate "relevant scope" was defined to reflect a larger representative employee population as prescribed by article 26.2 of AFEP-MEDEF code. It is based on the French holding entity Schneider Electric Société Européenne (SESE) (the issuer) as well as all employees in France of the operational company Schneider Electric Industries (SAS). This group of employees is employed on comparable terms to the Corporate Officers and represents more than 4,000 employees in France on a full time equivalent basis (FTE).

The ratios between the compensation paid to the Corporate Officers, Jean-Pascal Tricoire, Chairman and Chief executive officer, and Emmanuel Babeau, former Deputy CEO and CFO, and the average and median compensation received by Schneider Electric employees are presented in the table below.

The former Deputy CEO and CFO's compensation was calculated on a like-for-like basis to the Chairman and Chief executive officer as if Mr. Babeau would have continued to be a Deputy CEO and CFO of the company for the full fiscal year, *i.e.* it was annualized for the full fiscal year, including the same 25% reduction in fixed compensation as for the Chairman and CEO, excluding Performance Shares as Mr. Babeau was not granted any Performance Shares in 2020.

Evolution of the Corporate Officer and former Corporate Officer and employees' compensation, pay ratios, and Group's performance over five years

- Revenue
- Adj EBITA



	FY2016	FY2017	FY2018	FY2019	FY2020
Chairman and Chief executive officer					
Mr. Tricoire total compensation paid in FY	4,760,778	5,789,994	6,184,007	5,754,154	5,525,324
% change in total compensation	-21%	+22%	+7%	-7%	-4%
Pay ratio – Average compensation	57	65	68	64	60
% change in average pay ratio	-22%	+14%	+5%	-6%	-6%
Pay ratio – Median compensation	71	81	84	78	73
% change in employment average compensation	-23%	+14%	+4%	-7%	-6%
Former Deputy CEO and CFO					
Mr. Babeau total compensation paid in FY	2,283,831	2,804,775	3,041,321	2,871,633	1,505,592
% change in total compensation	-20%	+23%	+8%	-6%	-48%
Pay ratio – Average compensation	27	32	33	32	16
% change in average pay ratio	-21%	+19%	+3%	-3%	-50%
Pay ratio – Median compensation	34	39	41	39	20
% change in median compensation	-22%	+15%	+5%	-5%	-49%
Employee average compensation	83,829	88,551	91,127	90,369	92,861
% change in employee average compensation	+1%	+6%	+3%	-1%	+3%

Note: Mr. Babeau left office on April 30, 2020.

2.3 Compensation policy for the 2021 fiscal year

The compensation policy intention is to provide a clear link between delivery of Schneider Electric's strategy and Corporate Officers' compensation, while reflecting outcomes for shareholders. Set out below is the Corporate Officers and non-executive Directors' compensation policy for 2021. It will be submitted to the shareholders at the 2021 Annual Shareholders' Meeting (7th and 8th resolutions) and, subject to shareholders approval, will remain in force until the next policy is approved by the shareholders.

2.3.1 Executive Compensation policy

Schneider Electric follows a rigorous process for determining executive compensation, under the leadership of committed and independent Directors.

Role of the Governance & Remunerations Committee

The general principles and criteria forming part of the compensation policy for Corporate Officers, and their individual compensation packages are prepared and reviewed by the Governance & Remunerations Committee which makes recommendations to the Board of Directors for decision. The Board also hears the report and recommendations from the Human Resources & CSR Committee on the incentive structure and performance criteria (annual variable compensation and Long-term incentive plan) applied to the members of the Executive Committee (see below chapter 3, paragraph 2.4 of the Universal Registration Document), as well as the Group's other employees. To help the Board in the decision process, the Governance & Remunerations Committee and the Human Resources & CSR Committee are authorized to call upon external experts for specific topics, benchmarking data and analyses. The Committees hold at least one joint meeting every year to discuss the compensation structure applicable to Corporate Officers and other employees of the Group. These joint committee meetings are attended by one of the two employee Directors and the Director representing the employee shareholders who are members of the Human Resources & CSR Committee. In 2020, there was one joint meeting between Governance & Remuneration Committee and the Human Resources & CSR Committee to review the annual variable compensation plan applicable to the Corporate Officers, members of the Executive Committee, as well as the Group's other employees.

As part of its preparatory work for its proposals to the Board, the Committee:

Defines performance criteria

Defines performance criteria based on Schneider Electric's executive compensation pillars and business strategy. Targets are determined at the beginning of the year in accordance with the goals of the Strategic Plan.

Based on circumstances and priorities, the targets also encompass risks raised by the Audit & Risks Committee as well as the recommendations of the Human Resources & CSR Committee.

Benchmarks Corporate Officers' pay

Benchmarks Corporate Officers' pay against the median of a peer group consisting of 24 French and international companies that are comparable to Schneider Electric in terms of market capitalization, revenue, and industry, or that represent a potential source of recruitment or attrition.

This benchmarking is used as an indicator, not as a target, and is done *ex-post* only for reference.

Engages with shareholders

Relies on the Lead Independent Director to directly engage with shareholders to ensure their perspectives and feedback on Schneider Electric's compensation policy are heard and considered in decision-making.

The topic of Corporate Officers' compensation is usually discussed at four Board meetings every year. Corporate Officers do not take part in the debates of the Board concerning their own compensation.

This process ensures consistency and alignment between the compensation policy applied to the other executives and employees and the compensation policy applied to Corporate Officers. They share the same objectives and priorities and their rewards are aligned with the Group's performance and shareholder value creation.

Use of discretion

In determining executive compensation, the use of discretion is limited, and an appropriate disclosure on the use of discretion will be provided, if any, so that shareholders understand the basis for the Board's decisions. This discretion is available to the Board to ensure successful execution of the policy and to reflect the fact that there are no qualitative objectives in Corporate Officers' compensation:

- Flexibility to take account of unexpected changes in the industry environment and in compensation practice generally, this allows to respond to changes in circumstances, for example in modifying the benchmarking peer groups.
- Exercise discretion, upwards or downwards, to adjust the formulaic outcome for annual or long-term incentive awards resulting from the strict application of the approved policy, where a qualitative assessment of performance is required to ensure that the awarded compensation is fair in light of the Corporate Officers' actual contribution to the Company's overall performance, its positioning *vs.* competition, and the outcomes for shareholders and employees.

No major changes in the 2021 Compensation policy

The Committee has reviewed the existing policy and concluded that the pillars and principles formulated in 2018 continue to provide market competitive pay, ensuring a strong link between pay and performance, strong alignment with both employees and shareholders, and long-term focus. Therefore, based on the Committee's analyses and recommendations, the Board decided at its meeting of February 10, 2021 to maintain the executive compensation pillars, namely, Pay-for-Performance, Alignment with Shareholders' Interests, and Competitiveness, and the seven principles that they translate into.

The Committee has also reassessed the compensation elements and criteria considering these principles and the shareholders' feedback received during the shareholder engagement process described above. Relying on the recommendations of the Governance & Remunerations Committee, the Board, at its meeting of February 10, 2021, decided that the overall compensation structure of the Corporate Officers should remain the same as in 2020 as it satisfies the objectives of pay-for-performance and alignment with shareholders' interests.

2. Compensation Report

Group's strategic priorities

- Organic growth
- Value for customers
- Sustainability
- Continuous efficiency
- Value & returns to shareholders

How the strategy links to the Chairman and CEO's variable compensation

Annual variable compensation

Delivering strong execution and creating value for customers and shareholders every year to contribute to Schneider Electric's long-term success

Group organic sales growth	Group adjusted EBITA margin improvement (organic)	Group cash conversion rate	Schneider Sustainability Impact
40%	30%	10%	20%

Long-term incentive plan

Building an integrated and leading company with strong sustainability focus and attractive returns to shareholders

Adjusted Earnings Per Share	Relative Total Shareholder Return	Relative Sustainability Index
40%	35%	25%

How are performance criteria linked to Schneider Electric strategic priorities?
Variable pay is linked to performance metrics designed to deliver Schneider Electric strategy. At the start of each year, the Board reviews the measures, targets, and weightings to ensure they remain consistent with the annual priorities and Group strategy. For the annual variable compensation and the Performance Shares, the approach to performance measurement is intended to provide a balance of measures to assess performance focusing on execution of the Group's strategic priorities.

Considerations of wider workforce compensation and shareholders' views
The Board monitors and reviews the effectiveness of the compensation policy for Corporate Officers and senior management and has regard to its impact and consistency with compensation policies in the wider workforce. During the year, the Board is provided with information and context on pay in the wider workforce and various HR initiatives to enable its decision-making. This includes the approach to gender pay gap and living wage programs rolled out globally, the annual variable compensation results, and the total cost of LTIP awards.

The Board is committed to an open and transparent dialogue with Schneider Electric's shareholders through the Vice-Chairman & Lead Independent Director. Where appropriate, Schneider Electric actively engages with shareholders and shareholder representative bodies, taking their views into account when making any decisions about the Corporate Officers' compensation. The Vice-Chairman & Lead Independent Director is also available to answer questions at the Annual Shareholders' Meeting.

2021 Compensation Pillars and Principles

Pay for Performance

- **Principle 1:** Prevalence of variable components: *circa* 80% for CEO (at target).
- **Principle 2:** Performance is evaluated via economic and measurable criteria.
- **Principle 3:** Financial and Sustainability objectives are fairly balanced and distributed between short-term (annual variable compensation) and medium-term (long-term incentive) components.

Alignment with shareholders' interest

- **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

- **Principle 6:** To benchmark the Corporate Officer's compensation package "at target" in the median range of the Company's updated peer group.
- **Principle 7:** To reference the CAC 40 third quartile and the Stoxx Europe 50 median.

Fixed compensation

The fixed compensation reflects the scale and complexity of the business and the level of responsibility attached to the role of a Chairman and CEO.

The fixed compensation is reviewed at long intervals by the Board in accordance with the AFEP-MEDEF Corporate governance code, unless there are specific circumstances that would warrant a salary increase, for example a major change in the duties. The Board ensures that the Chairman and CEO's salary is set reasonably compared to similar roles in the market.

Considering the positioning of the Corporate Officer's salary on the relevant markets, the Company performance, and also pay conditions for other employees, the Board decided that there were no special circumstances that would call for a salary increase in 2021.

Jean-Pascal Tricoire

2021	Nil
2020	Nil
2019	Nil
2018	5%
2017	Nil

Corporate Officer	FY 2021 (January 1, 2021)	FY 2020 (January 1, 2020)	% Change
Jean-Pascal Tricoire, Chairman and CEO	€1,000,000	€1,000,000	0%

Annual variable compensation

Annual variable compensation provides variable cash compensation which rewards achievement of the short-term financial and sustainability targets of the Group.

At the start of the fiscal year, financial and sustainability performance criteria, weightings, and annual targets are reviewed in detail by the Committee and recommended to the Board for approval. Outcomes will be determined based on performance against each of those targets. The Board has the flexibility to review targets during the year to ensure continuous alignment with shareholders' interests.

The payment of the annual variable compensation is conditional upon approval by shareholders of the compensation granted to the Chairman and CEO. The Company does not operate a clawback policy.

The pay-out opportunity at threshold performance is 0%, with 50% of maximum annual variable compensation payable for achieving target. The maximum annual variable compensation will only be earned where a strong performance is delivered on each performance metric. Pay-outs between threshold and target, and between target and maximum, are determined on a straight-line basis.

Schneider Electric does not operate a deferral program.

2021 Annual variable compensation opportunity at target and maximum:

Minimum	At target	Maximum
0% of fixed compensation	130% of fixed compensation	260% of fixed compensation
Nil	€1,300,000	€2,600,000

For 2021, the Board proposes that the measurable financial performance criteria determine 80% and sustainability criteria, 20% of the variable cash compensation of Mr. Jean-Pascal Tricoire as follows:

Performance criteria	Description and link to strategy
40% Group organic sales growth	Fostering organic growth through deployment of strategic priorities in key markets
30% Adjusted EBITA organic margin improvement	Enabling shareholder value creation through continuous efficiency
20% Schneider Sustainability Impact	Promoting continuous progress towards more sustainability and value for customers
10% Group cash conversion	Enabling returns to shareholders

For business confidentiality reasons, the targets cannot be disclosed; however, the targets have been set precisely by the Board at the meeting of February 10, 2021 and will be communicated retrospectively.

2. Compensation Report

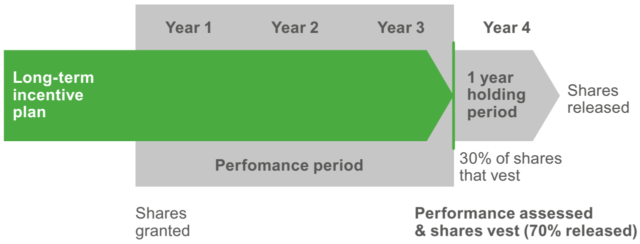
Performance shares (Long-term incentive plan – LTIP)

LTIP links the largest part of the Chairman and CEO's compensation with the long-term performance of the Group and the actual outcome varies with performance against criteria linked directly to strategic priorities.

Shares granted are subject to a vesting period of three years with an additional mandatory one year holding period for 30% of shares which are granted under the Plan reserved to the Corporate Officers.

For threshold performance, 0% of shares granted will vest, for maximum, 100% will vest. Vesting will normally operate on a straight-line basis between these points.

LTIP time horizon



In 2018, the Board has undertaken a robust review of the performance criteria and target setting approach to ensure LTIP performance criteria reflect a holistic assessment of the Group's performance, continue to reinforce Schneider Electric's strategy, encourage management to deliver steady and sustainable growth, and have a strong alignment with shareholders.

The 2021 LTIP criteria will remain the same as in 2020, in line with the proposals approved by shareholders under the LTIP resolution at the 2019 Annual Shareholders' Meeting on April 25, 2019 (21st resolution).

In order to align the interests of the Group's executives to those of the shareholders, in 2021, the Board will allocate Performance Shares to more than 2,000 Group executives and Senior Management, leaders, and key talents (Plans n° 38 and 39). For Group Senior Management, 100% of shares allocated will be subject to performance conditions measured over three years.

The maximum annual award to the Chairman and CEO for 2021 remains the same as in 2020 – 60,000 shares. However, the Board may decide to award a different number of shares, provided it does not exceed the existing policy maximum. Under no circumstances, including in case of overachievement of all targets, may the number of shares acquired exceed the number of shares defined as policy maximum.

The volume of the maximum annual award was set in consideration of:
- The market practice and competitive positioning of the Chairman and CEO's compensation package;
- The Group's performance in 2020, acknowledged by the market;
- The performance criteria applicable to the final acquisition of LTIP awards;
- The culture of ownership deeply rooted in Schneider Electric's DNA.

In the context described above, the Board decided that the number of shares granted to the Chairman and CEO continues to be reasonable in terms of quantum and market practice for comparable roles; it rewards the Company's resilient performance in a challenging year and supports the culture of ownership strongly promoted by Schneider Electric.

Performance conditions

100% measurable and quantifiable criteria	75% Financial & TSR and 25% Sustainability

Performance conditions and weightings applicable to the 2021 LTIP:

- 40%, improvement **of Adjusted Earning per share**;
- 35%, **relative TSR** performance of Schneider Electric:
  - 17.5% measured *vs.* a bespoke panel of 11 companies: ABB, Legrand, Siemens, Eaton, Emerson, Honeywell, Johnson Controls, Rockwell Automation, Fuji Electric, Mitsubishi Electric, and Yokogawa,
  - 17.5% measured *vs.* CAC 40 companies;
- 25%, based on **Schneider Sustainability External & Relative Index (SSERI).**

- **Adjusted EPS (40%)**

Adjusted EPS (earning per share) is a key long-term performance metric which promotes the execution of Schneider Electric's strategy to deliver profitable growth, thus reinforcing alignment with shareholders. The criterion is defined as the average of the annual rates of achievement of Adjusted EPS improvement targets for the 2021 to 2023 fiscal years. Adjusted EPS performance is published in the external financial communications and its annual variance will be calculated using adjusted EBITA at constant FX from year N-1 to year N. Foreign exchange impacts below adjusted EBITA will be taken in full. Significant unforeseen scope impact could be restated from this calculation upon decision of the Board.

- **Relative TSR (35%)**

This criterion strengthen the alignment between the shareholders' interests and compensation of the Chairman and CEO.

- For 17.5% of the shares, Schneider Electric TSR will be compared to a bespoke industry panel of 11 companies (ABB, Legrand, Siemens, Eaton, Emerson, Honeywell, Johnson Controls, Rockwell Automation, Fuji Electric, Mitsubishi Electric and Yokogawa) with a vesting scale as follows: 0% at rank 8 and below, 100% at rank 4, 150% for ranks 1 to 3, and linear between these points, as was already introduced in 2019 LTIP
- For the remaining 17.5%, Schneider Electric TSR will be compared with the TSR of the companies in CAC 40 index to reflect the macro-economic and stock-market specific trends which influence the performance of the share and in turn, the return to shareholders with a vesting scale as follows: 0% below median, 50% at median (rank 20), 100% at rank 10, 120% in ranks 1 to 4, and linear between these points.

In case of over-performance, if Schneider Electric's TSR is ranked within the top quartile of the bespoke industry panel or within top 10% of the CAC 40 companies, this criterion may compensate the under-performance under the Adjusted EPS criterion up to the same number of shares. If the Schneider Electric TSR is closely clustered with that of other companies in the panel, then the Board of Directors will apply its judgment to decide whether Schneider Electric's TSR shall be deemed to be ranked in the same position as those companies.

- **Schneider Sustainability External and Relative Index (SSERI) (25%)**

The Schneider Sustainability External and Relative Index measures the long-term sustainability performance of the Group in terms of relative performance, through a combination of external indices which cover a range of environmental, social, and governance indicators wider than and different from the Schneider Sustainability Impact. Using external indices will also ensure that the sustainability priorities governing the assessment of the long-term sustainability performance of the Group are at all times those which matter the most to the stakeholders.

For the 2021-2023 plans, the Board has selected some of the most challenging external indices (DJSI World, Euronext Vigeo, Ecovadis and CDP Climate Change) which are objective, recognized, and independent, covering main geographies in line with the Group's global footprint and which complement each other as they cover different sustainability dimensions. From 2021 the FTSE4GOOD index has been replaced by Ecovadis index, due to the decommissioning of one of the two FTSE4GOOD indices. Ecovadis is a robust evidence-based index which will supplement the SSERI. Using external and relative indices for performance assessment encourages permanent progress as their content is dynamic and includes new and more relevant topics as they emerge, forcing participants to constantly anticipate the most demanding trends in global sustainability. In line with Schneider Electric's sustainability strategy, external indices stand at the forefront of new academic research of sustainability practices (*e.g.* IPCC 1.5ºC report, TCFD recommendations, UN Global Compact SDGs) and continuously raise the bar to deliver stronger impacts.

DJSI	Euronext Vigeo	Ecovadis	CDP Climate Change
Covers three dimensions: economic, environmental, and social.	Covers environment, community involvement, business behavior, human rights, corporate governance, and human resources.	Covers four dimensions: environment, labor and human rights, sustainable procurement and ethics.	Covers climate change, water, and forests and represents a major reference for climate change leadership globally.

2. Compensation Report

Criteria	Weight (%)	Sustainability Index	Threshold	Mid-point	Target/Maximum
Pay-out %			**0%**	**50%**	**100%**
Schneider Sustainability External and Relative Index (SSERI) (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 and Europe 120 index
	25%	Ecovadis	Silver medal or less	Gold medal	Platinum medal
	25%	CDP Climate Change	≤C score	B score (25% payout at B- score)	A score (75% payout at A- score)

The target values and performance rates achievement for each of these performance criteria will be detailed in the Board's report to the Annual Shareholders' Meeting once the performance period has finished.

Pension benefits

The Chairman and CEO receives complementary cash payments in lieu of participation in the defined benefit pension scheme (Article 39) ("Top Hat"), which was discontinued for Corporate Officers following the decision of the Board of Directors on February 18, 2015.

The purpose of the pension cash payments is to provide a competitive retirement benefit in a way that is cost effective to the Company and that allows the Chairman and CEO to continue building his retirement benefits independently. The cash payments are a combination of fixed and variable payments that are considered "other benefits" to ensure consistency and comparability with other French or international companies. The maximum annual Complementary Pension Cash Benefit for 2021 remains unchanged and is detailed in the table below. Variable portion is subject to the same performance criteria and targets as the annual variable compensation. The Chairman and CEO has committed to depositing these additional payments, after taxes, into investment vehicles dedicated to the supplementary financing of their pensions.

		Variable portion				
Corporate Officer	**Fixed portion**	Target (% of fixed compensation)	Minimum	At target	Maximum	Total at target
Jean-Pascal Tricoire, Chairman and CEO	€191,600	130%	€0	€249,080	€498,160	€440,680

Other benefits

Schneider Electric aims to provide an appropriate level of benefits considering market practice and the level of benefits provided for other employees in the Group. The benefits currently provided are described below, but may also include, for example, relocation assistance if required and subject to the Board's decision.

Employer Matching Contributions and Profit-Sharing
The Chairman and CEO is eligible for profit-sharing and the employer matching contribution paid to subscribers to the capital increase reserved for employees. He is also eligible for the employer matching contribution paid to subscribers to the collective pension fund (PERCO), for the retirement of employees in France.

Company Car
The Corporate Officer may use the cars made available to Group Senior Management with or without chauffeur services. In addition, the Chairman and CEO is provided with a company car.

Health, Life and Disability schemes

The Corporate Officer is eligible for:

i. The collective welfare plan applicable to employees of Schneider Electric SE and Schneider Electric Industries SAS covering the risks of illness, incapacity, disability, and death;

ii. Additional coverage of the Group's French executives for risks of illness, incapacity, disability, and death. The main features of this coverage are:

   1) In case of illness or accident resulting in a temporary stoppage or incapacity (of any category), the Corporate Officer shall be entitled to continue to receive 18 months' worth of his compensation (fixed and target variable) authorized by the Board,

   2) In case of death, the policyholder's beneficiaries shall be entitled to the compensation (fixed and target variable) authorized by the Board of Directors for the current month, along with a death benefit equal to 6 months of the average compensation authorized by the Board of Directors (monthly average of the fixed and variable compensation paid during the last 12 months of employment);

iii. The entitlement to a life annuity pension paid to the surviving spouse in the event of death before his retirement, or if he left the Company after the age of 55 without returning to work, equal to 60% of 25% of the average of compensation paid during the three years before the date of death, with a deduction made from the theoretical pension payment that may be obtained under insurance conditions from the additional payments that will have been made;

iv. In the event of disability causing the Corporate Officer to completely stop working, the right to pension payments (payable to the surviving spouse at a rate of 60%) beginning from his retirement equal to 25% of the average of the total cash compensation paid over the three years preceding the date of disability minus 1.25% per quarter of absence so as to obtain a full rate of pension and minus the amount of additional compensation that may be obtained under insurance conditions at the time the disability occurred;

v. In the event of an accident, the Group insurance covering the executive's accident risk, stipulating the payment of a benefit the sum of which may be up to four times the annual compensation based on the type and circumstances of the accident.

Eligibility for benefits (ii) through (v) above is conditional on the fulfilment of one of the following conditions:

- the average of the net income of the last five fiscal years preceding the event is positive;
- the average of the free cash flow of the last five fiscal years preceding the event is positive.

Director's fee

The Chairman and CEO has waived the attendance fees to which he is entitled in his capacity of Board member.

Extraordinary awards

The Compensation policy does not include any provisions for extraordinary payments. The Board decided to maintain the prohibition of one-off payments that are not provided for in the compensation policy approved by the shareholders.

Post-mandate benefits

Listening carefully to the concerns raised by the shareholders and taking their feedback into account, the Board changed in the 2020 Compensation policy the Chairman and CEO's post-mandate benefits:

- Complementary payments for pension are now excluded from the severance indemnity calculation;
- A resignation may qualify as a forced departure only if the resignation was requested, which may include reasons such as change in strategy, voluntary resignation does not qualify as a forced departure;
- *Prorata* rule now applies as a principle to determine the Chairman and CEO's right to keep unvested shares after their constraint departure.

2. Compensation Report

The table below presents a summary of the benefits that could be granted to the Chairman and CEO on leaving office depending on the terms of the departure. The information provided in this summary is without prejudice to any decisions that may be made by the Board. In determining overall termination arrangements, the Board will ensure that termination benefits shall be granted only in case of forced departure and regardless of the form of the departure. In any case, Involuntary Severance Pay will not be paid if the resignation is a consequence of wrongful or gross misconduct.

	Voluntary resignation/ Removal from office for wrongful or gross misconduct	Forced departure	Retirement or change of assignment within the Group
Involuntary Severance Pay	Not applicable	Maximum Amount = twice the arithmetical average of the Corporate Officer's annual fixed and variable cash compensation, to the exclusion of complementary pension payments, paid over the last 3 years taking into account the non-compete compensation, if any, and subject to the attainment of performance conditions.	Not applicable
Non-compete indemnity	If not waived by the Board, 60% of annual fixed and target variable compensation (excluding pension payments)		Not applicable
Retention of unvested share awards	Forfeited in full	Rights retained on *prorata* basis to presence within Schneider Electric	Rights retained in full

- The termination benefits only become payable if the departure of the Chairman and CEO is forced, including requested resignation, in the following cases;
  - Dismissal, non-renewal or requested resignation of the Chairman and CEO, within the six months following a material change in Schneider Electric's shareholder structure that could change the membership of the Board of Directors;
  - Dismissal, non-renewal or requested resignation of the Corporate Officer, in the event of a reorientation of the strategy pursued and promoted by the Chairman and CEO until that time, whether or not in connection with a change in shareholder structure as described above; and
  - Dismissal, non-renewal or requested resignation of the Chairman and CEO, although, on average, two-thirds of the Group performance criteria have been achieved for the last four fiscal years from the day of departure.

- Payment of the Involuntary Severance Pay is subject to fulfilment of the following performance conditions based on the average rate of achievement of the Group's performance criteria used in the annual variable compensation for the last three fiscal years preceding the date of the Board's decision:

Group criteria achievement	Severance payment
< 66%	No payment
66%–100%	75% – 100% of the Maximum Amount, calculated on a straight line basis
>100%	100% of the Maximum Amount

- The aggregate amount of the Involuntary Severance Pay and the non-compete compensation, if any, shall not exceed the Maximum Amount.
- Non-compete: the Chairman and CEO is bound by a non-compete agreement in case of departure. The one-year agreement calls for compensation to be paid at 60% of annual fixed and target variable parts (excluding complementary payments). In line with the recommendations of the AFEP-MEDEF Corporate governance code, the Board will determine whether to apply the non-compete clause at the time of departure of the Corporate Officer.
- If the Chairman and CEO leaves the Group in circumstances of a forced departure, he will be entitled to retain unvested Performance Shares, which would typically vest at the end of the relevant vesting period, subject to the applicable performance conditions, and which will be pro-rated for the time the Corporate Officer remained with the Group in any capacity during the vesting period. In case of retirement or change of assignment within the Group, the Chairman and CEO will keep his right to the unvested Performance Shares granted to him previously, subject to the applicable performance conditions and without any *prorata*.

In conformity with the recommendations of the AFEP-MEDEF Corporate governance code:

- The entitlement to involuntary severance pay is subject to strict performance conditions, assessed over a period not lesser than two years;
- Only circumstances of a forced departure, regardless of the form of the departure, could trigger the entitlement to involuntary severance pay;
- Together with the non-compete indemnity, if any, the involuntary severance pay could not exceed twice the average of the Corporate Officer's annual compensation (fixed and variable part, to the exclusion of the pension benefits);
- The Board shall determine unilaterally whether or not to apply the non-compete clause at the time of the departure of the Corporate Officer;
- The Corporate Officer shall not be entitled to Involuntary Severance Pay in the case that he is entitled to benefit from his/her pension rights.

Corporate Officer	Employment contract	Top-Hat pension benefits	Payments or benefits that may be due in the event of termination of assignment	Payments in relation to a non-compete agreement
Jean-Pascal Tricoire, Chairman and CEO	NO	NO[1]	YES	YES

(1) The Board of Directors of February 18, 2015, decided to put an end to the benefits of the top-hat pension plan for Corporate Officers.

Recruitment policy

On appointment of a new Corporate Officer, the Board expects any new Corporate Officer to be engaged on terms that are consistent with, and in no case more favorable than the policy approved by the shareholders at the last Annual Shareholders' Meeting, until the next policy is approved. However, it is recognized that all circumstances in which Corporate Officer may be appointed cannot be anticipated. The Board will aim to set compensation that is appropriate to attract, motivate, retain, and reward an individual of the quality required to run the Group successfully, while avoiding paying more than is necessary. If the Board determines that it is in the best interests of the Company and shareholders to secure the services of a particular individual not promoted within the Group, it may require considering the terms of that individual's existing employment and/ or their personal circumstances.

The table below summarizes the policy on appointment of a new Corporate Officer.

Fixed compensation	Salaries are set by the Board, taking into consideration a number of factors including the current pay for other Corporate Officers, the experience, skill and current pay level of the individual, and external market forces. The Board may choose to set the salary below that of the market or the other Corporate Officers with the intention of applying staged increases as the individual gains experience in the role.
Annual variable compensation	Annual variable compensation will be awarded within the parameters of the policy in force.
Pension	The Board would set the pension cash supplementary payments at the appropriate level based on an individual's circumstances.
Other benefits	The Board would expect any new Corporate Officer to participate in the benefit schemes that are open to other senior employees (where appropriate, referencing the candidate's home country) but would take into account the individual's existing arrangements, market norms, and their status as a Corporate Officer.
Buy-out awards	The Board may offer compensatory payments or buy-out awards where an individual forfeits outstanding variable pay opportunities or contractual rights as a result of their appointment. The specifics of any buy-out awards would be dependent on the individual circumstances of recruitment and would be determined on a case-by-case basis. On assessing such awards, the Board will seek to make awards on a like-for-like basis to ensure that the value awarded would be no greater than the value forfeited by the individual. The Board may choose to apply performance conditions to these awards.
Relocation	Where an individual is relocating in order to take up the role, the Board may approve certain one-off benefits such as reasonable relocation expenses, accommodation for a defined period following appointment, assistance with visa applications or other immigration issues, and ongoing arrangements such as tax equalization, annual flights home, and a housing allowance.
Internal promotion	Where an existing employee is appointed to the Board, he/she will be required to resign from his/her employment contract and the Board will consider all existing contractual commitments including any outstanding share awards or pension entitlements.

In making any decision on the compensation of a new Corporate Officer, the Board would balance shareholder expectations, current best practice and the circumstances of any new Corporate Officer. It would strive not to pay more than is necessary to recruit the right candidate and would give full details in the next remuneration report.

2.3.2 Non-executive Directors compensation policy

At the 2019 Annual Shareholders' Meeting, the shareholders approved under the 13th resolution the maximum total amount of the annual compensation that can be paid to the members of the Board which since then stands at €2,500,000. It is proposed:

- To maintain the cap of annual total compensation payable to the members of the Board at €2,500,000; and
- To keep the allocation rules unchanged and as detailed below.

The table below shows the allocation rules of the fixed payments allocated to the non-executive Directors and implemented during the 2020 fiscal year.

Director's individual compensation
• Non-executive Directors are paid: – a fixed basic amount of €25,000 for membership of the Board; – an amount of €7,000 per Board meeting attended; – an amount of €4,000 per Committee meeting attended; – An amount of €5,000 (for intercontinental travel) or €3,000 (for intra-continental travels) per Board session physically attended. • Additional annual payments are made to non-executive Directors who chair a Committee to reflect the additional responsibilities and workload: – Audit & Risks Committee: €20,000; – Human Resources & CSR Committee, Digital Committee, and Investment Committee: €15,000; and – Lead Independent Director, who is also the Chairman of the Governance and Remunerations Committee: €250,000. • For an observer, an annual fixed payment of €20,000 is paid, unless they become non-executive Director at the next General Meeting. In this case, they will receive the same fees for attending the Board and committee meetings as non-executive Directors. • All payments are *prorated* for time served during the year and are paid in cash.

2.4 Compensation of Group Senior Management (excluding Corporate Officers)

Scope of Senior Management in 2020

On December 31, 2020, Group Senior Management is composed of 15 Executive Committee members. The Executive Committee is chaired by the Chairman and CEO and includes:

- Executive Vice-Presidents of Corporate Functions: Supply Chain, Digital, Strategy & Sustainability, Innovation, Governance, Marketing, Human Resources, Finance;
- Executive Vice-Presidents of Operations: North America Operations, China Operations, France Operations, Europe Operations, International Operations;
- Executive Vice-Presidents of Activities: Industry Automation, Energy Management.

With the appointments of the new Group CHRO (in April 2020) and Group CFO (May 2020) to the Executive Committee, 38% of the Group Senior Management (including Chairman and CEO) is composed of women (versus 27% in 2019).

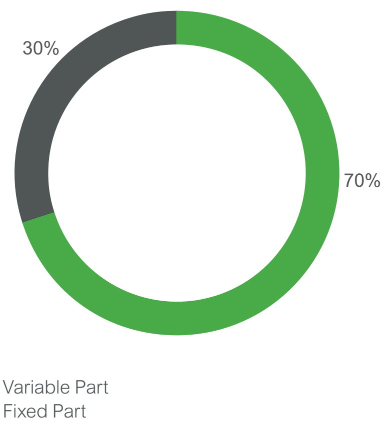
Compensation policy

The compensation principles of Group Senior Management (excluding the Corporate Officer) and their individual analyses are reviewed by the Human Resources & CSR Committee for information and consultation with the Board of Directors. The Human Resources & CSR Committee may consult external experts for specific analyses.

The compensation policy of the Group Senior Management follows the principles of competitiveness, pay-for-performance, and alignment with shareholders' long-term interests, aligned with the principles applicable to the Corporate Officers as described in this report, with the following variations:

- The competitiveness of the Group Senior Management compensation is considered using a relevant geographical panel and the scope of responsibilities as prepared by the consultancy firm Willis Towers Watson;
- The proportion of variable components within their on target compensation package is around 75% versus around 80% for the Corporate Officer.

On target compensation pay mix



Compensation paid in 2020

Gross compensation, including benefits in kind, paid by Group companies in 2020 to the members of Group Senior Management other than Corporate Officers, amounted to €28.1m, including €7.6m in variable compensation paid in the 2020 fiscal year.

The performance objectives for the annual incentive for the fiscal year 2020 were:

- Group organic sales growth;
- Improvement of Group adjusted EBITA margin (organic);
- Group cash conversion rate;
- Schneider Sustainability Impact.

Long-term incentive plans

Performance shares were granted in 2020 to the Group Senior Management. As of December 31, 2020, as part of the Long-term incentive plan, Group Senior Management, other than Corporate Officers, held:

- 741,000 conditional performance shares;
- 0 options;
- 0 Stock Appreciation Rights (SARs).

Pension benefits

Schneider Electric policy concerning pension benefits states that:

- the Group's Senior Management who are not subject to the French Social Security System are covered by pension plan arrangements in line with local practices in their respective countries;
- the Group's Senior Management subject to the French Social Security system, with the exception of Corporate Officers, are covered by the additional defined-contribution pension (Article 83) plans for employees, and/or Group Senior Management. Their defined-benefit pension plan (Article 39) was canceled on March 22, 2016.

2.5 Long-term incentive plans (stock options & Performance Shares)

Grant policy

As part of its overall staff pay policy, Schneider Electric sets up a Long-term incentive plan every year. These plans allow the Group to ensure the competitiveness of the compensation offered by the Group, in dynamic and competitive international markets, and in sectors where the ability to attract talent is a key factor to success. These plans also aim at mobilizing Schneider Electric's management for the achievement of the Group's long-term objectives and align their interest with those of our shareholders.

The Long-term incentive plans are based on an allocation of Performance Shares. No stock options or SARs have been granted since 2009 and the last plan of stock options implemented expired on December 31, 2019.

These plans are granted by the Board of Directors, based on the recommendation from the Human Resources & CSR Committee.

Beneficiaries include members of Group Senior Management, top managers, high-potential managers and employees in all countries whose performance was judged remarkable. There were 2,728 beneficiaries in the 2019 Long-term incentive plan and 3,100 in the 2020 Long-term incentive plan. Allocations to Group Senior Management, including Corporate Officers, represent 14.5% of the total attributions in the framework of the 2020 Long-term incentive plan, similar to the proportion prevalent (13.9%) in the framework of the 2019 Long-term incentive plan.

Corporate Officers formally undertake, for each grant of shares, not to engage in hedging transactions until the end of their duties as executive Officers.

Past share plans (as of December 31, 2020)

	LTIP 2016	LTIP 2017	LTIP 2018	LTIP 2019	LTIP 2020
Plan number	Plan 24, 26	Plan 28, 29, 29*bis*	Plan 30, 31, 31*bis*	Plan 32, 33, 34, 35	Plan 36, 37, 37*bis*
Date of Annual Shareholders' Meeting	Apr. 25, 2013	Apr. 25, 2016	Apr. 25, 2016	Apr. 25, 2016	Apr. 25, 2019
Date of the grant by the Board	Mar. 23, 2016	Mar. 24, 2017 Oct. 25, 2017	Mar. 26, 2018 Oct. 24, 2018	Mar. 26, 2019 Jul. 24, 2019 Oct. 23, 2019	Mar. 24, 2020 Oct. 21, 2020
Number of shares at grant of which:	2,318,242	2,463,420	2,371,940	2,444,010	2,216,791
– Jean-Pascal Tricoire	42,000	60,000	60,000	60,000	60,000
– Top ten employee beneficiaries	208,542	217,400	228,000	237,190	239,500
Vesting/delivery date	Mar. 23, 2020	Mar. 24, 2020 Oct. 25, 2020	Mar. 26, 2021 Oct. 25, 2021	Mar. 28, 2022 Jul. 25, 2022 Oct. 24, 2022	Mar. 24, 2023 Oct. 23, 2023
End of holding period	N/A	Mar. 23, 2021 for Plan 28 (only for 25,800 shares of which 18,000 shares granted to Jean-Pascal Tricoire)	Mar. 25, 2022 for Plan 30 (only for 25,800 shares of which 18,000 shares granted to Jean-Pascal Tricoire)	Mar. 27, 2023 for Plan 32 (only for 25,800 shares of which 18,000 shares granted to Jean-Pascal Tricoire)	Mar. 24, 2024 for Plan 36 (only for 18,000 shares granted to Jean-Pascal Tricoire)
Number of rights outstanding as of Dec. 31, 2019	1,787,324	2,212,470	2,248,790	2,420,150	N/A
Number of rights granted in 2020	N/A	N/A	N/A	N/A	2,216,791
Number of shares delivered in 2020	1,769,009	2,180,101	3,400	2,900	0
Number of rights canceled[(1)] in 2020	18,315	32,369	107,334	109,481	26,940
Number of rights outstanding as of Dec. 31, 2020	0	0	2,138,056	2,307,769	2,189,851
Total number of rights outstanding as of Dec. 31, 2020			**6,635,676**		

LTIP 2016

Plan number	Plan 24	Plan 26
Date of Annual Shareholders' Meeting	Apr. 25, 2013	Apr. 25, 2013
Date of the grant by the Board	Mar. 23, 2016	Mar. 23, 2016
Number of shares at grant of which: – Jean-Pascal Tricoire	27,042	2,291,200 42,000
Number of rights outstanding as of Dec. 31, 2019	27,042	1,760,282
Number of shares delivered in 2020	27,042	1,741,967
Number of rights canceled in 2020	0	18,315
Number of rights outstanding as of Dec. 31, 2020	0	0
Vesting date/vesting period	Mar. 23, 2020 4 years	
End of holding period	N/A	N/A
Presence condition	Yes	Yes
Performance conditions	No	• Yes for 50% of the shares/100% for the Corporate Officers and Executive Committee members • 2016, 2017, 2018 adjusted EBITA average achievement rate (40%) • 2016, 2017, 2018 cash conversion rate average (25%) • TSR ranking at the end of 2018 (15%) • Planet & Society barometer index at the end of 2018 (20%)
% achievement of the Performance conditions	N/A	91.46%
Detailed achievement of the Performance conditions	At its meeting of February 13, 2019, the Board of Directors assessed the achievement rate of performance criteria for Plan n° 26 granted in 2016 based on the Group's performance over the three-year period 2016-2018 and set the final rate of achievement at 91.46%, *i.e.* a reduction of 8.54% in relation to the number of shares originally granted.	

Performance conditions	Reference period	Weight (%)	Actual achievement	Pay-out rate	Weighted pay-out rate
Group organic adjusted EBITA achievement rate	2016	13.3%	+0.4 pt	100%	40.00%
	2017	13.3%	+0.9 pt	100%	
	2018	13.3%	+0.5 pt	100%	
Group cash conversion average rate	2016-2018	25%	104.3%	110.8%*	27.71%*
Relative TSR	2016-2018	15%	Rank 7	25%	3.75%
Planet & Society barometer/ Schneider Sustainability Impact	2016-2018	20%	>9	100%	20.00%
Total		**100%**			**91.46%**

* The good level of cash conversion exceeded the initial ambition, resulting in overperformance partially setting-off the under-achievement of the objectives under the relative TSR performance condition.

LTIP 2017

Plan number	Plan 28	Plan 29	Plan 29*bis*
Date of Annual Shareholders' Meeting	Apr. 25, 2016	Apr. 25, 2016	Apr. 25, 2016
Date of the grant by the Board	Mar. 24, 2017	Mar. 24, 2017	Oct. 25, 2017
Number of shares at grant of which: – Jean-Pascal Tricoire	25,800 18,000	2,405,220 42,000	32,400
Number of rights outstanding as of Dec. 31, 2019	25,800	2,154,870	31,800
Number of shares delivered in 2020	25,683	2,125,107	29,311
Number of rights canceled in 2020	117	29,763	2,489
Number of rights outstanding as of Dec. 31, 2020	0	0	0
Vesting date/vesting period	Mar. 24, 2020 3 years	Mar. 24, 2020 3 years	Oct. 25, 2020 3 years
End of holding period	Mar. 23, 2021	N/A	N/A
Presence condition	Yes		
Performance conditions	• Yes for 70% of the shares/100% for the Corporate Officers and Executive Committee members • 2017, 2018, 2019 adjusted EBITA average achievement rate (40%) • 2017, 2018, 2019 cash conversion rate average (25%) • TSR ranking at end of 2019 (15%) • 2017, 2018, 2019 Planet & Society barometer index (20%)		
% achievement of the Performance conditions	99.54%		
Detailed achievement of the Performance conditions	At its meeting of February 19, 2020, the Board of Directors assessed the achievement rate of performance criteria for Plans n° 28, 29 and 29*bis* granted in 2017 based on the Group's performance over the three-year period 2017- 2019 and set the final rate of achievement at 99.54%, *i.e.* a reduction of 0.46% in relation to the number of shares originally granted.		

Performance conditions	Reference period	Weight (%)	Actual achievement	Pay-out rate	Weighted pay-out rate
Group organic adjusted EBITA achievement rate	2017	13.3%	+0.9 pt	100%	40.00%
	2018	13.3%	+0.5 pt	100%	
	2019	13.3%	+0.7 pt	100%	
Group cash conversion average rate	2017-2019	25%	109.6%	124%	25.00%
Relative TSR*	2017-2019	15%	Rank 2*	150%	15.00%
Planet & Society barometer/ Schneider Sustainability Impact	2017	6.6%	9.5	100%	19.54%
	2018	6.6%	6.1	100%	
	2019	6.6%	7.77	93.1%	
Total		**100%**			**99.54%**

* If Schneider Electric TSR performance result is within 3% of the nearest peer company, the rank will be rounded up, Schneider Electric ranks 2 but qualifies for an adjustment to be ranked 1.

LTIP 2018

Plan number	Plan 30	Plan 31	Plan 31*bis*
Date of Annual Shareholders' Meeting	Apr. 25, 2016	Apr. 25, 2016	Apr. 25, 2016
Date of the grant by the Board	Mar. 26, 2018	Mar. 26, 2018	Oct. 24, 2018
Number of shares at grant of which: – Jean-Pascal Tricoire	25,800 18,000	2,318,140 42,000	28,000
Number of rights outstanding as of Dec. 31, 2019	25,800	2,194,990	28,000
Number of shares delivered in 2020	0	3,400	0
Number of rights canceled in 2020	2,383	104,951	0
Number of rights outstanding as of Dec. 31, 2020	23,417	2,086,639	28,000
Vesting date/vesting period	Mar. 26, 2021 3 years	Mar. 26, 2021 3 years	Oct. 25, 2021 3 years
End of holding period	Mar. 25, 2022	N/A	N/A
Presence condition	Yes		
Performance conditions	• Yes for 70% of the shares/100% for the Corporate Officers and Executive Committee members • 2018, 2019, 2020 adjusted EBITA average achievement rate (40%) • 2018, 2019, 2020 cash conversion rate average (25%) • TSR ranking at end of 2020 (15%) • 2018, 2019, 2020 Planet & Society barometer index (20%)		
% achievement of the Performance conditions	98.18%		
Detailed achievement of the Performance conditions	At its meeting of February 10, 2021, the Board of Directors assessed the achievement rate of performance criteria for Plans n° 30, 31 and 31*bis* granted in 2018 based on the Group's performance over the three-year period 2018- 2020 and set the final rate of achievement at 98.18%, *i.e.* a reduction of 1.82% in relation to the number of shares originally granted.		

Performance conditions	Reference period	Weight (%)	Actual achievement	Pay-out rate	Weighted pay-out rate
Group organic adjusted EBITA achievement rate	2018	13.3%	+0.5 pts	100%	32%
	2019	13.3%	+0.7 pts	100%	
	2020	13.3%	+0.2 pts	40%	
Group cash conversion average rate	2018-2020	25%	123.3%	150%*	37.50%*
Relative TSR	2018-2020	15%	1st	150%*	22.50%*
Planet & Society barometer/ Schneider Sustainability Impact	2018	6.6%	6.10	100%	18.18%
	2019	6.6%	7.77	93.10%	
	2020	6.6%	9.32	79.60%	
Total		**100%**			**98.18%**

* The good level of cash conversion exceeded the initial ambition and the over-performance of the relative TSR performance condition off-set the under-performance of the adjusted EBITA condition (for 8%).

LTIP 2019

Plan number	Plan 32	Plan 33	Plan 34	Plan 35
Date of Annual Shareholders' Meeting	Apr. 25, 2016	Apr. 25, 2016	N/A*	N/A*
Date of the grant by the Board	Mar. 26, 2019	Mar. 26, 2019	Jul. 24, 2019	Oct. 23, 2019
Number of shares at grant of which: – Jean-Pascal Tricoire	25,800 18,000	2,313,650 42,000	87,110	17,450
Number of rights outstanding as of Dec. 31, 2019	25,800	2,290,580	86,320	17,450
Number of shares delivered in 2020	0	2,900	0	0
Number of rights canceled in 2020	4,983	102,258	2,240	0
Number of rights outstanding as of Dec. 31, 2020	20,817	2,185,422	84,080	17,450
Vesting date/vesting period	Mar. 28, 2022 3 years	Mar. 28, 2022 3 years	Jul. 25, 2022 3 years	Oct. 24, 2022 3 years
End of holding period	Mar. 27, 2023	N/A	N/A	N/A
Presence condition	Yes			
Performance conditions	• Yes for 70% of the shares/100% for the Corporate Officers and Executive Committee members • 2019, 2020, 2021 adjusted EBITA average achievement rate (40%) • 2019, 2020, 2021 cash conversion rate average (25%) • TSR ranking at end of 2021 (15%) • 2019, 2020, 2021 Planet & Society barometer index (20%)		• Yes for 70% of the shares/100% for the Corporate Officers and Executive Committee members • 2020, 2021 Adjusted EPS improvement average achievement rate (40%) • TSR ranking at end of 2021 vs bespoke peer group and CAC 40 (35%) • 2019, 2020, 2021 Schneider Sustainability External and Relative Index (25%)**	
Achievement of the Performance conditions	To be assessed by the Board of Directors in February 2022			

* Plan n° 34 and 35 have not been granted under the legal framework of the Performance Shares provided by Article L. 225-197-1 of the French Commercial Code. Consequently, the shares to be delivered will be only existing shares acquired through the buy-back program.

** Plan rules n° 34 and 35 have been modified to replace FTSE4GOOD which is decommissioned by Ecovadis for 2021.

LTIP 2020

Plan number	Plan 36	Plan 37	Plan 37*bis*
Date of Annual Shareholders' Meeting	Apr. 25, 2019	Apr. 25, 2019	Apr. 25, 2019
Date of the grant by the Board	Mar. 24, 2020	Mar. 24, 2020	Oct. 21, 2020
Number of shares at grant of which: – Jean-Pascal Tricoire	18,000 18,000	2,095,740 42,000	103,051
Number of rights outstanding as of Dec. 31, 2019	N/A	N/A	N/A
Number of shares granted in 2020	18,000	2,095,740	103,051
Number of shares delivered in 2020	0	0	0
Number of rights canceled in 2020	0	26,750	190
Number of rights outstanding as of Dec. 31, 2020	18,000	2,068,990	102,861
Vesting date/vesting period	Mar. 24, 2023 3 years	Mar. 24, 2023 3 years	Oct. 23, 2023 3 years
End of holding period	Mar. 24, 2024	N/A	N/A
Presence condition	Yes		
Performance conditions	• Yes for 70% of the shares/100% for the Corporate officers and Executive Committee • 2020, 2021, 2022 Adjusted EPS improvement average achievement rate (40%) • TSR ranking at end of 2022 vs bespoke peer group and CAC 40 (35%) • 2020, 2021, 2022 Schneider Sustainability External and Relative Index (25%)*		
Achievement of the Performance conditions	To be assessed by the Board of directors in February 2023		

* Plan rules n° 36, 37 and 37bis have been modified to replace FTSE4GOOD which is decommissioned by Ecovadis for 2021 and 2022.