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Corporate Governance Report

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1. Governance Report

Vice-Chairman & Lead Independent Director's introduction

Dear Shareholders,

2020 was a signature year for Schneider Electric which demonstrated the resilience of its business model in difficult circumstances. The strong results achieved in such an unprecedented situation proved the success and the robustness of the strategy implemented under the leadership of Jean-Pascal Tricoire, Chairman and CEO.

All employees, the management team as well as the Board of directors had to adapt. The Board held 12 meetings, *i.e.* 5 more than in 2019, to monitor and control the situation during the COVID-19 crisis. Overall, directors had a very high attendance rate of 97%.

In terms of governance, 2020 was also a year of change with the departure of the deputy CEO, some important changes in the Executive Committee in spring, and my appointment as Vice-Chairman & Lead Independent Director, taking over from Leo Apotheke. In this year, the Board continued to improve and reinforce its composition and invites you to support at the Shareholders' Meeting the appointment of Anna Ohlsson-Leijon as a new director. On February 10, 2021, Anna Ohlsson-Leijon was appointed by the Board as an Observer upon recommendation from the Governance & Remuneration Committee which conducted the search process for new candidates.

The Board also recommends supporting the renewal of Jean-Pascal Tricoire's office as Director for a further four-year term and intends to renew his combined function as Chairman and CEO. Indeed, the performance of Jean-Pascal Tricoire in his double mandate was positively assessed by the Board of Directors taking into account his profile, excellent track record within the Company and his openness to the Board Members' recommendations as well as the governance mechanisms in place to safeguard the balance of power between the Board and the management. Nevertheless, the Board understands and acknowledges the preference of its investors to have a clear distinction between the roles of Chairman and CEO, and intends to separate the roles of Chairman and Chief Executive Officer before the end of Jean-Pascal Tricoire's upcoming term.

Throughout 2020, I had the opportunity to discuss our compensation policy and approach with many of Schneider Electric's shareholders, as well as investor representative bodies, and will continue this dialogue in 2021.

For 2020, the Board decided to use the discretion clause provided in the existing compensation policy on annual variable compensation. This was predicated on the fact that the COVID-19 crisis brought about exceptional circumstances external to the Group. It was and continues to be in the Group's interest to incentivize, within reasonable levels, the Corporate Officer and all employees to drive performance and keep all teams motivated. In doing so, the Board reviewed the compensation outcome to ensure its alignment with the resilient results achieved by the Group and with shareholders' experience in 2020 (Schneider Electric TSR ranked 2nd of the CAC40 and 1st of its Peer group). In addition, the outcome for the Corporate Officer had to be consistent with the approach applied to the ~58,000 employees of the Group who participate in a similar annual variable compensation plan.



Fred Kindle
Vice-Chairman
& Lead Independent Director

It is important to note that the Board decided not to apply the discretion clause to the Long-Term Incentive Plans which remained unchanged. For the LTIP that vested in 2020, the Board concluded that its payout level accurately reflects the outstanding performance and shareholder return realized over the past three years as well as the Company's strong resilience throughout the crisis.

As for the 2021 compensation policy, the Board of Directors took into account the wide approval for the revisions made in the last few years (for example, on the post-mandate benefits and the new LTIP criteria). Consequently, the Board of Directors decided not to materially change the compensation policy again. The current policy appears balanced, provides a competitive pay structure, ensures a strong link between pay and performance, enforces strong alignment with employees and shareholders, and, last but not least, provides both a short and long-term focus.

I hope that these balanced and well thought-through proposals will receive your support.

I invite you to read this governance and compensation report as well as the notice of meeting. They provide more detail on the governance structure of the Company and on all draft resolutions you are asked to approve at the 2021 Shareholders' Meeting. I welcome shareholders' participation at the Annual General Meeting. They can express their views ahead of or during the meeting with the digital tools that we will provide. Unfortunately, the ongoing pandemic will not allow us to conduct a physical meeting for the second time. We are truly sorry about this but look forward to a successful AGM.

Thank you for your support and your trust,

Fred Kindle
Vice-Chairman
& Lead Independent Director

This corporate governance report has been approved by the Board of Directors at its meeting of February 10, 2021.

Corporate Governance Code

The Company applies all the AFEP-MEDEF corporate governance guidelines that are available online at www.medef.com.

Governance structure

Board of Directors

14 Directors including 8 independents, 2 Directors representing the employees and 1 Director representing the employee shareholders.



12
meetings in 2020

97%
average attendance in 2020

3
executive sessions in 2020

Audit & Risks Committee

4
members
Read more in section 1.4.1

8
meetings*

100%
average attendance

75%
independence

Governance & Remunerations Committee

5
members
Read more in section 1.4.2

10
meetings*

100%
average attendance

60%
independence

Human Resources & CSR Committee

6
members
Read more in section 1.4.3

5
meetings*

100%
average attendance

75%
independence**

Investment Committee

7
members
Read more in section 1.4.4

5
meetings

100%
average attendance

80%
independence**

Digital Committee

4
members
Read more in section 1.4.5

4
meetings*

100%
average attendance

75%
independence

* Including joint meetings with other committee

** Employee Directors excluded as prescribed by the AFEP-MEDEF Corporate Governance Code

1. Governance Report

1.1 Composition of the Board of Directors

As of December 31, 2020, the Board of Directors counted 14 Directors. Mrs. Anna Ohlsson-Leijon was appointed as an Observer by the Board of Directors on February 10, 2021 with the intent to submit her candidacy at the Annual Shareholders' Meeting to be held on April 28, 2021.



Mr. Jean-Pascal Tricoire
Chairman and Chief executive officer



Mr. Fred Kindle
Vice-chairman & Lead Independent Director



Mr. Léo Apotheker
Director



Mrs. Cécile Cabanis
Independent Director



Mrs. Rita Felix
Employee Director



Mr. Willy R. Kissling
Director



Mrs. Linda Knoll
Independent Director



Mrs. Jill Lee
Independent Director



Mrs. Xiaoyun Ma
Employee Shareholders Director



Mr. Patrick Montier
Employee Director



Mrs. Fleur Pellerin
Independent Director



Mr. Anders Runevad
Independent Director



Mr. Gregory Spierkel
Independent Director



Mr. Lip-Bu Tan
Independent Director



Anna Ohlsson-Leijon
Observer

Board committees



Changes in the composition of the Board of Directors in 2020 and until the date of this Universal Registration Document

	Name	Gender	Nationality	Date of appointment	Term end
Directors whose term of office was renewed at the 2020 AGM*	Léo Apotheker	M	French/German	April 2008	AGM 2023
	Cécile Cabanis	F	French	April 2016	AGM 2024
	Fred Kindle	M	Swiss	April 2016	AGM 2024
	Willy Kissling	M	Swiss	April 2001	AGM 2022
Directors who left the Board of Directors in 2020	None				
Directors who joined the Board of Directors in 2020	Jill Lee	F	Singaporean	April 2020	AGM 2024
	Rita Felix	F	Portuguese	August 2020	AGM 2024
Observer who joined the Board of Directors in 2021	Anna Ohlsson-Leijon	F	Swedish	February 2021	AGM 2021

* Annual General Shareholders' Meeting.

Overview of the composition of the Board of Directors as of the date of this Universal Registration Document

Personal information					Position within the board				Attendance rate in 2020		Participation in Board committees				
Age	Gender	Nationality	Number of directorships in listed companies*	Number of Schneider Electric shares held	Independence	First appointment**	Term end	Seniority on the Board**	Board	Committee	Audit & Risks Committee	Governance & Remuneration Committee	Human Resources & CSR Committee	Investment Committee	Digital Committee
Jean-Pascal Tricoire, Chairman & Chief executive officer															
57	M		2	728,469		2013	AGM 2021	7	92%	–					
Fred Kindle, Vice-Chairman & Lead Independent Director															
61	M		3	40,000		2016	AGM 2024	4	100%	100%					
Léo Apotheker, non-independent Director															
67	M		3	3,093		2008	AGM 2023	12	100%	100%					
Cécile Cabanis, independent Director															
49	W		4	1,000		2016	AGM 2024	4	83%	100%					
Rita Felix, Employee Director															
38	W		1	0		2020	AGM 2024	<1	100%	100%					
Willy Kissling, non-independent Director															
76	M		1	1,600		2001	AGM 2022	19	100%	100%					
Linda Knoll, independent Director															
60	W		2	1,000		2014	AGM 2022	6	92%	100%					
Jill Lee, independent Director															
57	W		1	1,000		2020	AGM 2024	<1	100%	100%					
Xiaoyun Ma, Director representing the employee shareholders															
57	W		1	23,097		2017	AGM 2021	3	100%	100%					
Patrick Montier, Employee Director															
64	M		1	4,042		2017	AGM 2021	3	100%	100%					
Fleur Pellerin, independent Director															
47	W		2	1,000		2018	AGM 2022	2	92%	100%					
Anders Runevad, independent Director															
61	M		4	1,000		2018	AGM 2022	2	100%	100%					
Gregory Spierkel, independent Director															
64	M		3	1,000		2015	AGM 2023	5	100%	100%					
Lip-Bu Tan, independent Director															
61	M		4	1,000		2019	AGM 2023	1	100%	100%					
Anna Ohlsson-Leijon, Observer															
52	W		2	0		–	–	–	–	–	–	–	–	–	–

* Including Schneider Electric SE directorship.

** As a Director or member of the Supervisory Board (if any, the period of presence at the Board as an Observer is not taken into account).

Independent Chairperson of the committee Member of the committee

1. Governance Report

List of directorships and other functions of the members of the Board of Directors as of the date of this Universal Registration Document



Jean-Pascal Tricoire

Chairman and Chief executive officer of Schneider Electric SE

Age: 57 years

Nationality: French

Business address: Schneider Electric
35, rue Joseph Monier, 92500 Rueil-Malmaison, France
728,469⁽¹⁾ Schneider Electric SE shares

Experience and qualifications

After graduating from ESEO Angers and obtaining an MBA from EM Lyon, Jean-Pascal Tricoire spent his early career with Alcatel, Schlumberger, and Saint-Gobain and joined the Schneider Electric Group (Merlin Gerin) in 1986. From 1988 to 2001, he occupied operational functions within Schneider Electric abroad, in Italy, China South Africa and the US. He held corporate positions from 1999 to 2001 including Director in charge of Strategic Global Accounts and the strategic plan. From January 2002 to the end of 2003, he was appointed at the executive committee as Executive Vice-President of Schneider Electric's International Division. In October 2003, he was appointed Deputy CEO before becoming Chairman of the Management Board of Schneider Electric SA on May 3, 2006. On April 25, 2013, following the change in mode of governance of the Company, he was appointed Chairman and CEO.

Term of office

First appointed: 2013/Term ends: 2021

Current directorships

Other directorships at listed companies:

Director of **Qualcomm, Inc.** (USA).

Other external directorships:

Co-Chairman of the France-China Business Committee;
Director of the Board of the United Nations Global Compact (USA); Member of the Board of Trustees of Northeastern University (USA).

Other internal directorships:

Chairman of the Board of Directors of Schneider Electric Industries SAS; Director of Delixi Electric Ltd; Director of Schneider Electric USA, Inc.; Chairman of the Board of Directors of Schneider Electric Asia Pacific Ltd; Chairman of the Board of Directors of Schneider Electric Holdings Inc.



Fred Kindle*

Vice-Chairman & Lead Independent Director of Schneider Electric SE

Age: 61 years

Nationality: Swiss

Business address: Schneider Electric
35, rue Joseph Monier, 92500 Rueil-Malmaison, France
40,000 Schneider Electric SE shares

Experience and qualifications

Fred Kindle graduated from the Swiss Federal Institute of Technology (ETH) in Zurich and holds an MBA from Northwestern University, Evanston, USA. He began his career in the Marketing Department of Hilti AG in Liechtenstein from 1984 to 1986. From 1988 to 1992, he worked as a consultant at McKinsey & Company in New York and Zurich. He then joined Sulzer AG in Switzerland where he held various management positions. In 1999, he was appointed CEO of Sulzer Industries and in 2001, he became CEO of Sulzer AG. After joining ABB Ltd in 2004, Fred Kindle was appointed CEO of the ABB group, a position which he held until 2008. He then became a partner at Clayton, Dubilier & Rice LLP, a private equity fund based in London and New York. He is now an independent consultant and Director at several companies. Board member of Schneider Electric SE since 2016, he was appointed Vice-Chairman & Lead Independent Director in April 2020.

Term of office

First appointed: 2016/Term ends: 2024

Current directorships

Other directorships at listed companies:

Chairman of the Board of Directors of **VZ Holding AG** (Switzerland) and Director of **Stadler Rail AG** (Switzerland).

Other external directorships:

None

Previous directorships

Previous directorships held in the past five years:

Director of **Exova Plc.** (United Kingdom); Partner of **Clayton Dubilier & Rice Llc.** (USA); Chairman of the Board of Directors of **Exova Group Plc.** (United Kingdom); Chairman of the Board of Directors of **BCA Marketplace Plc.** (United Kingdom); Director of **Rexel SA** (France); Member of the Development committee of the Royal Academy of Engineering (London); Vice-Chairman of **Zurich Insurance Group Ltd.** (Switzerland); Chief executive officer of **Kinon AG** (Switzerland).

Board committees



Skills



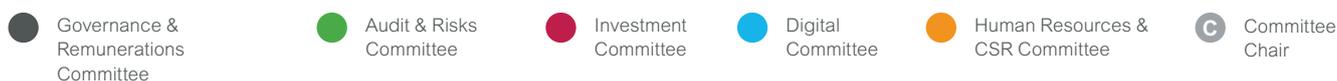
Honorary Chairman: Mr. Didier Pineau-Valencienne

* An independent Director within the meaning of the AFEP-MEDEF Corporate Governance Code.

(1) Held directly or through the FCPE.

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

Board committees





Léo Apotheker

Company Director

Age: 67 years

Nationality: French/German

Business address: Schneider Electric
35, rue Joseph Monier, 92500 Rueil-
Malmaison, France
3,093 Schneider Electric SE shares

Board committees



Skills



Experience and qualifications

Léo Apotheker began his career in 1978 in management control after graduating with a degree in international relations and economics from the Hebrew University in Jerusalem. He then held management and executive responsibilities in several firms specializing in information systems including SAP France & Belgium, where he was Chairman and CEO between 1988 and 1991. Léo Apotheker was founding Chairman and CEO of ECsoft. In 1995, he returned to SAP and, after various appointments within SAP as regional director, he was appointed in 2002 as a member of the Executive Committee and President of Customer Solutions & Operations, then in 2007 as Deputy CEO of SAP AG and in 2008 CEO of SAP AG. In 2010, he became CEO and Chairman of Hewlett-Packard, a position he held until the fall of 2011. Board member of Schneider Electric SE since 2008, Léo Apotheker served as Vice-Chairman & Lead Independent Director from 2014 to April 2020.

Term of office

First appointed: 2008/Term ends: 2023

Current external appointments

Other directorships at listed companies:

Director of **NICE-Systems Ltd** (Israel); Chairman and Co-CEO of **Burgundy Technology Acquisition Corporation** (USA).

Other directorships:

Chairman of the Board of Directors of Unit 4 NV (Netherlands); Chairman of Synchron International AB (Sweden); Director of P2 Energy Solutions (USA); Director of Taulia (USA), Director of MercuryGate (USA).

Previous directorships

Previous directorships held in the past five years:

Chairman of the Supervisory Board of Signavio GmbH (Germany); Director and Chairman of the Board of KMD A.S. (Denmark), Member of the Supervisory Board of **Steria** (France).



Cécile Cabanis*

Vice-Chairwoman of Danone

Age: 49 years

Nationality: French

Business address: Danone,
17 boulevard Haussmann,
75009 Paris, France
1,000 Schneider Electric SE shares

Board committees



Skills



Experience and qualifications

Engineer graduated from Agro Paris Grignon, Cécile Cabanis began her career in 1995 at L'Oréal in South Africa, where she worked as logistics manager and head of management control before working in France as an internal auditor. In 2000, she joined Orange as Assistant Director in the group's Mergers- Acquisitions division. Cécile Cabanis came to Danone in 2004 as Corporate Financial Officer, then Head of Development. In 2010, she was appointed Chief Financial Officer of the Fresh Dairy Products Division. From 2015 to February 2021, she has been Danone's Chief Financial Officer Technology & Data, Cycles & Procurement. Since 2018, she has been a member of the Board of Directors of Danone SA and has been appointed Vice-Chairwoman on December 2020. She is also the Chairperson of the Board of Directors of Livelihoods Fund SICAV SIF, a fund created to accelerate its partners' actions in favor of the climate and the most vulnerable people.

Term of office

First appointed: 2016/Term ends: 2024

Current external appointments

Other directorships at listed companies:

Vice-Chairwoman of the Board of Directors of **Danone SA** (France); Director of **2MXOrganic** (France); Member of the Supervisory Board of **Unibail-Rodamco-Westfield SE**.

Other directorships:

Vice-chairwoman, member of the Supervisory Board of Mediawan (France); Director of Michel et Augustin SAS (France); Member of the Supervisory Board of Société Editrice du Monde (France), Chairwoman and member of the Board of Directors of Livelihoods Fund (SICAV, Luxembourg).

Previous directorships

Previous directorships held in the past five years:

Director of Central Danone (Morocco); Fromagerie des Doukkala (Morocco); Danone Djurdura (Algeria); Produits Laitiers Frais Iberia (Spain); Danone SA (Spain); Compagnie Gervais Danone (France); Dan Trade (Russia); Danone Limited (United Kingdom); Danone Industria LLC (Russia); JSC Danone Russia (Russia); Danonewave (Public Benefit Corporation – USA); Member of the Supervisory Board of Danone Sp. z.o.o (Poland); Toeca International Company B.V. (the Netherlands); Chief executive officer of Danone CIS Holdings B.V. (Netherlands).

* An independent Director within the meaning of the AFEP-MEDEF Corporate Governance Code.
Note: **bold** indicates the names of companies whose securities are listed on a regulated market.

Skills

€ Financial or accounting

🌐 Deep knowledge of the Group's market

💻 Digital skills

🌍 Deep knowledge of the US market

🌏 Deep knowledge of the Asian market

★ Former or current CEO of listed companies including energy sector

🌱 Sustainability skills

🏢 Deep knowledge of the Group

1. Governance Report



Rita Felix

PMO & Inside Sales Leader

Age: 38 years

Nationality: Portuguese

Business address: Av. do Forte 3,
Ed. Suécia IV, Piso 3, 2794-038
Carnaxide, Portugal

0⁽¹⁾ Schneider Electric SE shares

Board committees



Skills



Experience and qualifications

Rita Felix is graduated from ISCTE – IUL (University Institute of Lisbon) including 6 months in the Vrije Universiteit (Amsterdam). She also holds a master's degree in Marketing Management (2012). She began her career in consulting at Deloitte, where she worked from 2006 to 2008. After that she joined the marketing department of COSEC (a credit insurance company partially owned by Euler Hermes). Rita Felix came to Schneider Electric Portugal in 2012 as Business Excellence. In 2017, she was appointed Project Management Officer (PMO) for Global Marketing, International Operations at Schneider Electric group. Since 2020 she has been working as a PMO and Inside Sales Director. In July 2020, she was designated Director representing the employees of Schneider Electric SE. During November 2020, she attended the High Performance Boards at IMD Business School.

Term of office

First appointed: 2020/Term ends: 2024

Current external appointments

Other directorships at listed companies:

None

Other directorships:

None

Previous directorships

Previous directorships held in the past five years:

None



Willy R. Kissling

Company Director

Age: 76 years

Nationality: Swiss

Business address: Schneider Electric
35, rue Joseph Monier, 92500 Rueil-
Malmaison, France

1,600 Schneider Electric SE shares

Board committees



Skills



Experience and qualifications

Willy R. Kissling is a graduate from the Universities of Bern (Dr. Rer.pol) and Harvard (P.M.D). He began his career at Amiantus Corporation and then joined Rigips, a plasterboard manufacturer, in 1978. He was appointed to the Rigips Executive Committee in 1981 and subsequently became CEO. From 1987 to 1996, Willy R. Kissling served as CEO of Landis&Gyr Corporation, a provider of services, systems and equipment for energy management, building control and payment systems for payphone operators. From 1998 to 2005, he was Chairman of Oerlikon Bürhle Holding AG (renamed OC Oerlikon Corp.) and of SIG Holding Ltd, and Vice-Chairman of Holcim Ltd (renamed LafargeHolcim Ltd). Willy R. Kissling has also been a member on various Board of Directors including those of Kühne&Nagel International Ltd and European Advisory Board member of Pratt&Whitney and Booz Allen Hamilton.

Term of office

First appointed: 2001/Term ends: 2022

Current external appointments

Other directorships at listed companies:

None.

Previous directorships

Previous directorships held in the past five years:

None.

* An independent Director within the meaning of the AFEP-MEDEF Corporate Governance Code.

(1) Held directly or through the FCPE.

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

Board committees

Governance & Remunerations Committee

Audit & Risks Committee

Investment Committee

Digital Committee

Human Resources & CSR Committee

Committee Chair



Linda Knoll*

Company Director

Age: 60 years

Nationality: American

Business address: Schneider Electric
35, rue Joseph Monier, 92500 Rueil-
Malmaison, France
1,000 Schneider Electric SE shares

Board committees



Skills



Experience and qualifications

Linda Knoll holds a Bachelor of Science Degree in Business Administration from Central Michigan University. After a career in the land systems division of General Dynamics, Linda Knoll honed her career in the predecessor companies to FCA and CNH Industrial through numerous operational assignments, accumulating a wealth of relevant industrial industry experience spanning more than 25 years (including Vice-President and General Manager of the Crop Production Global Product Line, Vice-President North America Agricultural Industrial Operations, Executive Vice-President Agricultural Product Development, President Parts and Service (ad interim) and Executive Vice-President Worldwide Agricultural Manufacturing). Linda Knoll has been CHRO in CNH Industrial (from 2007 to 2019) and Fiat Chrysler Automobiles (from 2011 to March 2021).

Term of office

First appointed: 2014/Term ends: 2022

Current external appointments

Other directorships at listed companies:
Chief Human Resources Officer and member of the Group Executive Council of **Fiat Chrysler Automobiles N.V.** (Netherlands).

Other directorships:

Director of Comau S.p.A.

Previous directorships

Previous directorships held in the past five years:
None.



Jill Lee*

Group Chief Financial Officer of
Sulzer Ltd

Age: 57 years

Nationality: Singaporean

Business address: Neuwiesenstrasse
15, Winterthur 8401, Zurich,
Switzerland
1,000 Schneider Electric SE shares

Board committees



Skills



Experience and qualifications

Jill holds a Bachelor of Business Administration from National University of Singapore and an MBA from Nanyang Technological University in Singapore. Jill Lee began her career in finance in 1986 at Siemens, AT&T and Tyco Electronics in Singapore. She pursued her career within Siemens where she held a number of leadership positions from 1997 to 2010 (including CFO and Senior Vice-President of Siemens in Singapore, CFO and Senior Executive Vice-President of Siemens in China, Group Chief Diversity Officer), then Senior Vice-President, Finance Strategy and Investments for Neptune Orient Lines in Singapore (2010 to 2011) and later ABB from 2012 to 2018 where she was Senior Vice-President and CFO for ABB China and North Asia Region and then Group Senior Vice-President and Head of Next Level Program Management of ABB. Since April 2018, Jill Lee serves as Group Chief Financial Officer of Sulzer Ltd, a company where she had been previously a member of the Board of Directors for 7 years and Chairwoman of the Audit Committee.

Term of office

First appointed: 2020/Term ends: 2024

Current external appointments

Other directorships at listed companies:
None.

Other directorships:

Advisory Board Member of Nanyang Business School, Singapore.

Previous directorships

Previous directorships held in the past five years:
Observer of **Schneider Electric SE**; Member of the Supervisory Board of **Signify N.V.** (formerly Philips Lighting); Non-executive Director of **Sulzer Ltd**.

* An independent Director within the meaning of the AFEP-MEDEF Corporate Governance Code.
Note: **bold** indicates the names of companies whose securities are listed on a regulated market.

Skills

€ Financial and accounting

🌐 Deep knowledge of the Group's market

💻 Digital skills

🌍 Deep knowledge of the US market

🌏 Deep knowledge of the Asian market

★ Former or current CEO of listed companies including energy sector

🌱 Sustainability skills

🏭 Deep knowledge of the Group

1. Governance Report



Xiaoyun Ma

CFO for Schneider's China Operations

Age: 57 years

Nationality: Chinese

Business address: 8F, Schneider Electric Building, No. 6, East WangJing Rd. Chaoyang District Beijing 100102, China
23,097⁽¹⁾ Schneider Electric SE shares

Board committees



Skills



Experience and qualifications

Graduating from top Chinese universities and holding China Certificate of Public Accountant, Xiaoyun Ma started her career as a finance professional at an audit firm (PWC). She joined Schneider Electric in 1997 as the controller of Schneider (Beijing) Medium Voltage Co., Ltd. in Beijing China. Since then, she has worked in many different controller and CFO positions, covering manufacturing, supply chain and front office, in the China and Asia Pacific zone, while getting an MBA from New York City University in 2004. She is currently the CFO for Schneider's China Operations, in charge of China daily finance operations, organization simplification and internal digital transformation.

Term of office

First appointed: 2017/Term ends: 2021

Current external appointments

Other directorships or functions at listed companies: None

Other directorships within Schneider Electric Group:

Chairwoman of the Board of Directors of Schneider Electric IT (China) Co., Ltd.; Vice-Chairwoman of the Board of Directors of Citic Schneider Smart Building Technology (Beijing) Co., Ltd., Beijing BipBop Efficiency and Automation Application Technology Center (China); Director of Full Excel (Hong Kong) Limited (Hong Kong), Schneider Electric (China) Co., Ltd., Schneider Shanghai Power Distribution Electrical Apparatus Co., Ltd., Schneider Shanghai Low Voltage Terminal Apparatus Co., Ltd., Schneider Shanghai Industrial Control Co., Ltd., Schneider Busway (Guangzhou) Ltd., Schneider (Beijing) Medium and Low Voltage Co., Ltd., Schneider Merlin Gerin Low Voltage (Tianjin) Co., Ltd., Schneider Shanghai Apparatus Parts Manufacturing Co., Ltd., Schneider Wingoal (Tianjin) Electric Equipment Co., Ltd., Shanghai ASCO Electric Technology Co., Ltd. (formerly known as Schneider Automation Solutions (Shanghai) Co., Ltd.), Schneider (Shaanxi) Baoguang Electrical Apparatus Co., Ltd., Clipsal Manufacturing (Huizhou) Co., Ltd., Schneider Switchgear (Suzhou) Co., Ltd., Schneider Smart Technology Co., Ltd.; Supervisor of Zircon Investment (Shanghai) Co., Ltd.; Executive Director of Beijing Leader Harvest Energy Efficiency Investment Co., Ltd. (China).

Other directorships or functions outside Schneider Electric Group:

Vice-Chairwoman of the Board of Directors of Sunten Electric Equipment Co., Ltd. (China).

Previous directorships

Previous directorships held in the past five years:

Chairwoman of the Board of RAM Electronic Technology and Control (Wuxi) Co., Ltd., Beijing Chino Harvest Wind Power Technology Co., Ltd., Schneider Electric Trading (Wuhan) Co., Ltd.; Vice-Chairwoman of the Board of Directors of Schneider Electric (Xiamen) Switchgear Co., Ltd., Schneider Electric (Xiamen) Switchgear Equipment Co., Ltd.; Director of Pelco (Shanghai) Trading Co., Ltd., Schneider (Wuxi) Drives Co., Ltd., Schneider Electric Manufacturing (Wuhan) Co., Ltd., Telvent Control Systems (China) Co., Ltd., Schneider Automation & Control Systems (Shanghai) Co., Ltd., Ennovation Systems Control Co., Ltd., Schneider (Suzhou) Transformer Co., Ltd., Telvent-BBS High & New Tech (Beijing) Co., Ltd., Beijing Leader Harvest Electric Technologies Co., Ltd., Schneider Electric Equipment and Engineering (Xi'an) Co., Ltd., Shanghai Foxboro Co., Ltd., Shanghai Invensys Process Systems Co., Ltd., Schneider Great Wall Engineering (Beijing) Co., Ltd., Tianjin Merlin Gerin Co., Ltd., Schneider (Beijing) Medium Voltage Co., Ltd., Shanghai Schneider Electric Power Automation Co., Ltd., Tianjin Wingoal Electric Equipment Co., Ltd., Schneider South China Smart Technology (Guangdong) Co. Ltd.

(1) Held directly or through the FCPE.

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

Board committees



Governance & Remunerations Committee



Audit & Risks Committee



Investment Committee



Digital Committee



Human Resources & CSR Committee



Committee Chair



Patrick Montier

Advisor for vocational training

Age: 64 years

Nationality: French

Business address: Schneider Electric
35, rue Joseph Monier, 92500 Rueil-
Malmaison, France
4,042⁽¹⁾ Schneider Electric SE
shares

Board committees



Skills



Experience and qualifications

After graduating from the Institute of Business Administration of the University of Nantes (France), Patrick Montier began his career at Schneider Electric in 1978 as a Business Engineer of the applications and systems department. In 1986, he joined France Country organization and contributed to the development of business activities in the instrumentation and automation fields and in regional marketing as project manager for launching new offers. In 1999, he was appointed regional executive of the France Training Institute in charge of relations with educational institutions (universities, engineering schools, academies). Since 2010, he has been in charge of partnerships with organizations imparting vocational training. Meanwhile, in 2003 he joined the trade union Force Ouvrière and became its Group deputy coordinator in 2010 until the end of January 2017. He followed the training conducted jointly by SciencesPo and the French Institute of Directors ("Institut Français des Administrateurs") and he successfully obtained the "Director of Companies" certificate.

Term of office

First appointed: 2017/Term ends: 2021

Current external appointments

None

Previous directorships

Previous directorships held in the past five years:

Regional Chairman (Loire) of AFDET association (French Association for Technical Education Development, a non-profit association as per the French Law of 1901); Director of CAPRA Prévoyance.



Fleur Pellerin*

Founder & CEO of Korelya Capital

Age: 47 years

Nationality: French

Business address: Korelya Capital, 87
rue Réaumur, 75002 Paris, France
1,000 Schneider Electric SE shares

Board committees



Skills



Experience and qualifications

Fleur Pellerin graduated from the *Ecole Supérieure des Sciences Economiques et Commerciales* (ESSEC), the *Paris Institut d'Etudes Politiques* (IEP-Sciences-Po), and the *Ecole Nationale d'Administration* (ENA). She became a magistrate at the Court of Auditors in the early 2000s. In addition, she worked for the United Nations as an external auditor. In 2007, she joined "Club XXle Siècle", a not-profit association dedicated to diversity and equal opportunities, and served as its president between 2010 and 2012. She took over as French Minister for SMEs, Innovation and Digital Economy in 2012 where she launched a program for the development of French startups referred to as "French Tech". In April 2014, she was appointed Secretary of State for Foreign Trade, Tourism Development and French people residing abroad, a position that she held till August 2014. Additionally, Fleur Pellerin is a lecturer at the ENA and was a Director of the *Public Sénat* channel from 2011 to 2012. In 2016, she left politics and founded Korelya Capital, an investment fund with €200 million in funding which promotes and supports investments in technology start-ups in France and in Europe.

Term of office

First appointed: 2018/Term ends: 2022

Current external appointments

Other directorships at listed companies:

Member of the Supervisory Board of **KLM Royal Dutch Airlines** (the Netherlands).

Other directorships:

Director and CEO of Korelya Consulting, Korelya Capital, Korelya Fondateurs (France); Director of Korelya Portfolio companies (Devialet, Ledger); Director of Stanhope Capital LLP (United Kingdom); Member of the Strategic orientations committee of Talan (France); Member of the Board or Supervisory committee of following Associations: Canneseries, Eurockéennes, Institut Montaigne, Fonds de dotation du Musée du Louvre and France Digitale (France).

Previous directorships

Previous directorships held in the past five years:

Director of **Reworld Media** (France); Director of Naver France (France); Director of Snips (France) (2019).

* An independent Director within the meaning of the AFEP-MEDEF Corporate Governance Code.

(1) Held directly or through the FCPE.

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

Skills

€ Financial and accounting

🌐 Deep knowledge of the Group's market

💻 Digital skills

🌍 Deep knowledge of the US market

🌏 Deep knowledge of the Asian market

★ Former or current CEO of listed companies including energy sector

🌱 Sustainability skills

🏢 Deep knowledge of the Group

1. Governance Report



Anders Runevad*

Company Director

Age: 61 years

Nationality: Swedish

Business address: Schneider Electric
35, rue Joseph Monier, 92500 Rueil-
Malmaison, France
1,000 Schneider Electric SE shares

Board committees



Skills



Experience and qualifications

Anders Runevad holds a Master of Science Degree in Electrical Engineering from the University of Lund (Sweden), where he also studied business and economy. He joined Ericsson in 1984 as a Design Engineer before assuming various management positions in Sweden, Singapore, Brazil, UK and USA. In 1998, he was appointed President of Ericsson Singapore. From 2000 to 2004, he served as Vice-President Sales and Marketing of Ericsson Mobile Communications AB. In 2004, he was appointed President of Ericsson Brazil. From 2007 until 2010, he served as Executive Vice-President, and Director of the Board at Sony Ericsson Mobile Communications AB. He then became President of Western & Central Europe at Telefonaktiebolaget LM Ericsson (public company) in 2010. In 2013, he left Ericsson to join Vestas Wind Systems A/S as Chief executive officer and Group President, a position from which he stepped down in 2019.

Term of office

First appointed: 2018/Term ends: 2022

Current external appointments

Other directorships at listed companies:

Director of **Nilfisk Holding A/S** (Denmark); Director of **Vestas Wind Systems A/S** (Denmark); Director of **Peab AB** (Sweden).

Other directorships:

Chairman of the board PGA National Sweden (Sweden).

Previous directorships

Previous directorships held in the past five years:

President & CEO of **Vestas Wind Systems A/S** (Denmark); Member of the General Council of the Confederation of Danish Industry; Member of the Industrial Policy Committee of the Confederation of Danish Industry, Director of **NKT A/S** (Denmark) (2018).



Gregory Spierkel*

Company Director

Age: 64 years

Nationality: Canadian

Business address: Schneider Electric
35, rue Joseph Monier, 92500 Rueil-
Malmaison, France
1,000 Schneider Electric SE shares

Board committees



Skills



Experience and qualifications

Gregory Spierkel holds a Bachelor's degree in Commerce from Carleton University (Ottawa) and a Master's Degree in Business Administration from Georgetown University. He also attended the Advanced Manufacturing program at INSEAD. Gregory Spierkel began his career working for Bell Canada in sales and product development, followed by a period with Nortel Inc. in market research. For four years, he served as Managing Director of Mitel Telecom with responsibilities over Europe and Asia. He then spent five years at Mitel Corp. where he served as President of North America and President of Global Sales and Marketing. In August 1997, he joined Ingram Micro as a Senior Vice-President Asia-Pacific. In June 1999, he was appointed as Executive Vice-President and President of Ingram Micro Europe. He was promoted to President of the Ingram Micro Inc. group in 2004, before assuming the role of CEO of Ingram Micro Inc. from 2005 to 2012.

Term of office

First appointed: 2015/Term ends: 2023

Current external appointments

Other directorships at listed companies:

Director of **MGM Resorts International** (USA); Director of **PACCAR Inc.** (USA).

Other directorships:

Member of McLaren Advisory Group (McLaren Technology Group) (United Kingdom).

Previous directorships

Previous directorships held in the past five years:

Observer of **Schneider Electric SE**.

* An independent Director within the meaning of the AFEP-MEDEF Corporate Governance Code.
Note: **bold** indicates the names of companies whose securities are listed on a regulated market.

Board committees





Lip-Bu Tan*

CEO of Cadence Design Systems, Inc.

Age: 61 years

Nationality: American

Business address: One California Street, Suite 1750, San Francisco, CA 94111, United States

1,000 Schneider Electric SE shares

Board committees



Skills



Experience and qualifications

Lip-Bu Tan holds a Master of Science in Nuclear Engineering from the Massachusetts Institute of Technology, an MBA from the San Francisco University, and a Bachelor of Science degree from the Nanyang University of Singapore. Lip-Bu Tan held management positions at EDS Nuclear and ECHO Energy before being Vice-President of Chappell & Co. He also serves as Chairperson of Walden International, a venture capital firm he founded in 1987. Lip-Bu Tan is currently CEO and Board member of Cadence Design Systems, Inc., positions that he has been holding since 2009 and 2004 respectively.

Term of office

First appointed: 2019/Term ends: 2023

Current external appointments

Other directorships at listed companies:

CEO and board member of **Cadence Design Systems, Inc.** (USA), Director of **Softbank Group Corp.** (Japan) and of **Hewlett Packard Enterprise** (USA).

Other directorships or functions:

Director of Advanced Micro-Fabrication Equipment Inc (Shanghai), CNEX Labs, Inc. (USA), Fungible, Inc. (USA), Innovium, Inc. (USA), Komprise (USA), RF Pixels, Inc.(USA), LightBits Labs (Israel), Movandi Corporation (USA), NuVia, Inc. (USA), Oryx Vision (Israel), Prosimo, Inc. (USA), Proteantecs (Israel), Rosetal System Information Ltd. (dba Localize) (Israel), Vayyar Imaging (Israel), HiDeep, Inc. (South Korea), Silicon Mitus, Inc. (South Korea), SambaNova Systems, Inc. (USA), The Electronic System Design Alliance (ESD Alliance), Member of the board of trustees and the School of Engineering Dean's Council at Carnegie Mellon University (CMU), Global Advisory board Member of METI Japan, Member of the board of Global Semiconductor Alliance (GSA), Member of The Business Council and Committee 100.

Previous directorships

Previous directorships held in the past five years:

Observer of **Schneider Electric SE**, Board member of Habana Labs Ltd. (Israel), Tagore Technology, Inc. (USA), WekaIO, LTD (Israel), **Aquantia Corporation** (USA), Semiconductor Manufacturing International Corporation (China), SINA Corporation (China), Quantenna Communications, Inc. (USA) and Ambarella Inc. (USA).



Anna Ohlsson-Leijon

Chief executive officer Europe and Executive Vice-President of AB Electrolux

Age: 52 years

Nationality: Swedish

Business address: St Göransgatan 143, 105 45 Stockholm, Sweden

0 Schneider Electric SE share

Skills



Experience and qualifications

Anna Ohlsson-Leijon, a Swedish Citizen, is currently Chief Executive Officer Europe and Executive Vice President of AB Electrolux, a position that she has held since 2018. Ms. Ohlsson-Leijon began her career in 1993 at PricewaterhouseCoopers where she held various positions advising high-tech, industrial and media companies. In 2000, she joined Kimoda, an e-commerce platform, as Chief Financial Officer, before joining in 2001 AB Electrolux (Sweden) as Director of Project Management. Anna Ohlsson-Leijon then held various senior positions in corporate functions including Director internal audit & Global program manager Sarbanes-Oxley Act from 2003 to 2005, Head of Management Assurance & Special Assignments until 2008, Group Treasurer until 2011, Head of Corporate Control & Services until 2013 and Chief Financial Officer Major Appliance EMEA thereafter. She was then promoted to Chief Financial Officer of AB Electrolux in 2016 before taking her current position in 2018. Anna Ohlsson-Leijon holds a Bachelor of Sciences in Business Administration and Economics from Linköping University (Sweden). Ms. Ohlsson-Leijon currently also seats on the board of Atlas Copco AB.

Term of office

Co-optation as Observer member: February 2021

Candidate for election: April 2021

Current directorships

Observer of **Schneider Electric SE**

Current external appointments

Other directorships at listed companies:

Director and member of the Audit Committee of **Atlas Copco AB** (Sweden).

Other directorships:

None

Previous directorships

Previous directorships held in the past five years:

Director and Chairwoman of the Audit Committee of **Alfa Laval AB** (Sweden), Director and member of the Audit Committee of **Ahlstrom-Munksjö Oyj** (Finland).

* An independent Director within the meaning of the AFEP-MEDEF Corporate Governance Code.
Note: **bold** indicates the names of companies whose securities are listed on a regulated market.

Skills

€ Financial and accounting

🌐 Deep knowledge of the Group's market

💻 Digital skills

🌍 Deep knowledge of the US market

🌏 Deep knowledge of the Asian market

★ Former or current CEO of listed companies including energy sector

🌱 Sustainability skills

🏢 Deep knowledge of the Group

1. Governance Report

Independent Directors

Each year, as provided under the AFEP-MEDEF Corporate Governance Code, the Board of Directors, on the report of the Governance & Remunerations Committee, dedicates one of the points on its agenda to the qualification of its members as independent with regard to the criteria for independence set out in article 9.5 of the Code and presented in the table below.

Criterion 1: employee or Corporate Officer within the previous five years

Not to be and not to have been within the previous five years:

- an employee or executive Corporate Officer of the Company;
- an employee, executive Corporate Officer, or Director of a company consolidated with the Company;
- an employee, executive Corporate Officer, or Director of the Company's parent company or a company consolidated with this parent company.

Criterion 2: cross-directorships

Not to be an executive Corporate Officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive Corporate Officer of the Company (currently in office or having held such office within the last five years) holds a directorship.

Criterion 3: significant business relationships

Not to be a customer, supplier, commercial banker, investment banker, or consultant:

- that is significant to the Company or its group;
- or for which the Company or its group represents a significant portion of its activity.

The assessment of the significance or otherwise of the relationship with the Company or its group must be debated by the board and the quantitative and qualitative criteria that led to this evaluation (continuity, economic dependence, exclusivity, etc.) must be explicitly stated in the annual report.

Criterion 4: family ties

Not to be related by close family ties to a Corporate Officer.

Criterion 5: auditor

Not to have been an auditor of the Company within the previous five years.

Criterion 6: period of office exceeding 12 years

Not to have been a Director of the Company for more than 12 years. Loss of the status of independent Director occurs on the date of the 12th anniversary.

Criterion 7: status of non-executive Corporate Officer

A non-executive Corporate Officer cannot be considered independent if he or she receives variable compensation in cash or in the form of securities or any compensation linked to the performance of the Company or Group.

Criterion 8: status of the major shareholder

Directors representing major shareholders of the Company or its parent company may be considered independent, provided these shareholders do not take part in the control of the Company. Nevertheless, beyond a 10% threshold in capital or voting rights, the board, upon a report from the Governance & Remunerations Committee, should systematically review the qualification as independent in light of the Company's shareholding structure and the existence of a potential conflict of interest.

Upon recommendation from the Governance & Remunerations Committee, the Board of Directors, during its meeting of February 10, 2021, reviewed the independence of each Board member in regard of the criteria reminded above.

- With regard specifically to independence in terms of business relations, the Board of Directors noted that, due to:
 - (i) The absence of business relations between the Directors and Schneider Electric;
 - (ii) The nature of Schneider Electric activities and those of the companies in which members of the Board of Directors are employed or serve as Directors;
 - (iii) The amounts, either unitary or global, of operations performed or that may be performed between Schneider Electric and these companies that are agreed at arm's length and that are by no means likely to be referred to the Board of Directors;
 the existing business relations between Schneider Electric and these companies in which the members of the Board of Directors are employed or serve as officers are not likely to prejudice their independence, indeed, when such operations exist, they are agreed at arm's length and their amounts, representing less than 0.1% of the consolidated turnover of each group, are without a doubt insignificant for each party, in particular with regard to respective size of the groups concerned.
- Among 14 Directors, 8 are independent according to the definition prescribed by the AFEP-MEDEF Corporate Governance Code: Mrs. Cécile Cabanis, Mr. Fred Kindle, Mrs. Linda Knoll, Mrs. Jill Lee, Mrs. Fleur Pellerin, Mr. Anders Runevad, Mr. Gregory Spierkel, and Mr. Lip-Bu Tan.

- Mr. Jean-Pascal Tricoire, as Chief executive officer, Mrs. Xiaoyun Ma, as employee shareholders representative, Mrs. Rita Felix and Mr. Patrick Montier as employee Directors, Mr. Léo Apotheker, and Mr. Willy Kissling, who have served on the Board for over 12 years, are not considered to be independent Directors under the AFEP-MEDEF Corporate Governance Code.
- The AFEP-MEDEF Corporate Governance Code recommends that, in non-controlled companies, the Board comprises at least 50% independent Directors (Directors representing employee shareholders and employees are not computed in calculating this percentage). The proportion of independent Directors of the Company, excluding Mrs. Xiaoyun Ma, Rita Felix and Mr. Patrick Montier, is therefore 73%. The proportion would rise to 75% should the appointment on Mrs. Anna Ohlsson-Leijon be voted in the Annual Shareholders' Meeting per the 10th resolution.

The following table shows the status of each Director with regard to the criteria for independence set out in article 9.5 of the AFEP-MEDEF Corporate Governance Code.

Criteria ⁽¹⁾	Jean-Pascal Tricoire ⁽²⁾	Léo Apotheker	Cécile Cabanis	Rita Felix ⁽³⁾	Fred Kindle	Willy Kissling	Linda Knoll	Jill Lee	Xiaoyun Ma ⁽⁴⁾	Patrick Montier ⁽⁵⁾	Fleur Pellerin	Anders Runevad	Gregory Spierkel	Lip-Bu Tan	Anna Ohlsson-Leijon
Criterion 1: Employee or corporate officer within the past five years	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Criterion 2: Cross-directorships	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Criterion 3: Significant business relationships	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Criterion 4: Family ties	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Criterion 5: Auditor	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Criterion 6: Period of office exceeding 12 years	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Criterion 7: Status of non-executive Corporate Officer	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Criterion 8: Status of the major shareholder	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Conclusion	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

(1) In this table, ● signifies that a criterion for independence is satisfied and ● signifies that a criterion for independence is not satisfied.

(2) Mr. Jean-Pascal Tricoire is Chairman and Chief executive officer of Schneider Electric SE, Chairman of the Board of Directors of Schneider Electric Industries SAS, Director of Delixi Electric Ltd, Chairman of the Board of Directors of Schneider Electric Holdings Inc., Director of Schneider Electric USA Inc. and Chairman of the Board of Directors of Schneider Electric Asia Pacific Ltd.

(3) Mrs. Rita Felix has an employment contract with Schneider Electric Portugal Lda.

(4) Mrs. Xiaoyun Ma has an employment contract with Schneider Electric (China) Co., Ltd.

(5) Mr. Patrick Montier has an employment contract with Schneider Electric France.

1. Governance Report

Declarations concerning the situation of the members of the administrative, supervisory or management bodies

Service contracts

None of the Directors has a service contract with the Company or any of its subsidiaries providing for benefits under such contract.

Absence of conviction or incrimination

To the best of the Company's knowledge, in the last five years, none of the Directors or the Chairman and CEO have been:

- the subject of any convictions in relation to fraudulent offenses or of any official public incrimination and/or sanctions by statutory regulatory authorities;
- disqualified by a court from acting as a member of the administrative, management, or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of an issuer;
- involved, as a member of an administrative, management, or supervisory body or a partner, in a bankruptcy, receivership, or liquidation.

Family ties

To the best of the Company's knowledge, none of the Directors and/or the Chairman and CEO of the Company are related through family ties.

Conflicts of interest

To the best of the Company's knowledge, there are no arrangements or understandings with major shareholders, customers, suppliers, or others pursuant to which a Director or the Chairman and Chief executive officer has been selected as a member of an administrative, management, or supervisory body or a member of senior management of the Company.

To the best of the Company's knowledge, there are no conflicts of interest between the duties of any Directors and the Chairman and Chief executive officer with respect to the Company in their capacity as members of those bodies or their private interests and/or other duties.

To the best of the Company's knowledge, the Directors and the Chairman and Chief executive officer have no restrictions on the disposal of their Company shares aside from those stipulated in Performance Share plans (see pages 294 *et seq.*) for the Chairman and Chief executive officer and a minimum 1,000 shareholding requirement for Directors.

Diversity policy within the Board of Directors and within the management of the Company

The Board of Directors pays due attention to its composition and that of its committees. It relies on the works of the Governance & Remunerations Committee which reviews regularly and proposes as often as required, the relevant changes to the composition of Board of Directors and its committees depending on the Group's strategy.

In that respect, in conformity with its internal regulations, the Board of Directors ensures through its proposals and its decisions that:

- its composition reflects the international nature of the Group's activities and of its shareholders by having a significant number of members of non-French nationality;
- it protects the independence of the board through the competence, availability, and courage of its members;
- it encourages open and unrestricted speech;
- it pursues its objective of diversifying the Board of Directors in compliance with the legal principle of attaining balanced representation between men and women on the Board;

- it appoints persons with the expertise required for developing and implementing the Group strategy while considering the objectives of diversity based on criteria such as age, professional skills, nationalities and background;
- employee shareholders and employees shall continue to be represented on the board in compliance with the provisions set forth in Articles 11.3 and 11.4 of the Articles of Association; and
- it preserves the continuity of the Board by changing some of its members at regular intervals, if necessary, by anticipating the expiry of members' terms of office.

The gender diversity ratio of the Board of Directors, should the appointment of Mr. Anna Ohlsson-Leijon be confirmed in the 2021 Annual Shareholder's Meeting, will reach 42% (excluding the employees Directors and the representative employee shareholders Director).

Schneider Electric is deeply committed towards diversity in general and gender diversity in particular. Schneider Electric focuses on taking proactive measures to encourage a balanced representation of men and women at the leadership level: the portion of women at the Executive Committee had been increased from 27% in 2019 to 38% in 2020. For the leadership pool comprising of the top 1,000 leaders, the female representation is 23.2%, while among NDVC (*i.e.* white collars) representing more than 60,000 employees, the female representation reaches 32.8%.

At its meeting of December 14, 2020, the Board of Directors reviewed senior management's ambitions regarding the balanced representation of men and women at the leadership level and noted that the objective is set to at least 30% of women at the Executive Committee and 35% among NDVC. To achieve these objectives and further improve gender diversity, the Group aims at attracting female talents by offering a training leadership program and dedicated mentoring, implementing an equal treatment policy and a tailored family leave policy.

Directors' holdings in the Company's share capital

Article 11 of the Company's Article of Association provides that Directors are each required to hold at least 250 Schneider Electric shares during their term of office. Moreover, in accordance with Article 6 of the Board Internal Regulations, each Board Member shall hold 1,000 Schneider Electric shares.

The Board of Directors has set a retention target of shares representing three years of base salary for Mr. Jean-Pascal Tricoire. Calculation of the number of shares held is based on Schneider Electric SE shares and the equivalent in shares of the corporate mutual fund units invested in Schneider Electric shares held by the beneficiaries.

In accordance with the provisions of Article L.225-197-1 of the French Commercial Code and the AFEP/MEDEF code, the Board of Directors has approved the following:

- mandatory retention beyond the lock-up period of 25% of the shares acquired under the Long-term incentive plan; and
- mandatory investment in Schneider Electric SE shares of 10% of the selling price (net of taxes and contributions) of Performance Share acquired.

These obligations are suspended once the shareholding target described above are met which is the case of Mr. Jean-Pascal Tricoire who owns 728,469 Schneider Electric's shares.

To the Company's knowledge, the Directors' shareholdings in the Company's registered capital as of the date of publication of this Universal Registration Document are as follows:

Board Member	Schneider Electric shares
Jean-Pascal Tricoire	728,469
Fred Kindle	40,000
Léo Apotheker	3,093
Cécile Cabanis	1,000
Rita Felix	0
Willy Kissling	1,600
Linda Knoll	1,000
Jill Lee	1,000
Xiaoyun Ma	23,097
Patrick Montier	4,042
Fleur Pellerin	1,000
Anders Runevad	1,000
Gregory Spierkel	1,000
Lip-Bu Tan	1,000
TOTAL	807,301

The members of the Board of Directors directly hold 0.14% of the share capital and 0.24% of the voting rights as of the date of publication of this Universal Registration Document.

The table below shows the transactions in Schneider Electric securities carried out during fiscal year 2020 and notified to the *Autorité des marchés financiers* in accordance with Article 19 of Regulation n° 594/2014 of April 16, 2014 on Market Abuse and Article L. 621-18-2 of the French Monetary and Financial Code:

First name and last name	Transaction date	Transaction type	Description of the financial instrument	Number of securities/instruments	Unit price (in euros)	Amount of the transaction (in euros)
Jean-Pascal Tricoire	23/03/2020	Acquisition	LTIP – Plan 26	38,414	–	–
Jean-Pascal Tricoire	24/03/2020	Acquisition	LTIP – Plans 28 & 29	59,725	–	–
Emmanuel Babeau	23/03/2020	Acquisition	LTIP – Plan 26	16,646	–	–
Emmanuel Babeau	24/03/2020	Acquisition	LTIP – Plans 28 & 29	25,882	–	–
Jill Lee	08/05/2020	Acquisition	Ordinary shares	1,000	80.48	80,480
Xiaoyun Ma	21/02/2020	Disposal	Ordinary shares	1,000	102.58	102,578.30
Xiaoyun Ma	23/03/2020	Acquisition	LTIP – Plan 26	6,223	–	–
Xiaoyun Ma	24/03/2020	Acquisition	LTIP – Plans 28 & 29	6,480	–	–
Patrick Montier	30/07/2020	Disposal	Shares in Schneider Electric FCPE	136.04	104.00	14,148.51
Patrick Montier	08/08/2020	Disposal	Shares in Schneider Electric FCPE	183.15	103.00	18,864.75
Patrick Montier	12/08/2020	Disposal	Shares in Schneider Electric FCPE	135.97	105.00	14,277.29
Patrick Montier	24/08/2020	Disposal	Shares in Schneider Electric FCPE	127.70	106.00	13,536.36
Patrick Montier	24/08/2020	Disposal	Shares in Schneider Electric FCPE	126.51	107.00	13,536.37

See details regarding Performance Shares granted to Executive Directors on pages 294 *et seq.* of this Universal Registration Document.

1. Governance Report

Skills within the Board of Directors

Out of 14 Directors, excluding the Chairman and Chief executive officer:

6

have deep financial or accounting skills

6

have a deep knowledge of the Group's markets

4

have deep digital skills

4

have a deep knowledge of the US market

4

have a deep knowledge of the Asian market

6

Former or current CEO of listed companies including energy sector

3

have deep sustainability skills

7

have a deep knowledge of the Group

Board members

The Board of Directors shall have at least three and up to eighteen members, all of whom must be natural persons elected by the shareholders at the Shareholders' Meeting. However, in case of death or resignation of a member, the Board may co-opt a new member. This appointment is then subject to ratification at the next Shareholders' Meeting.

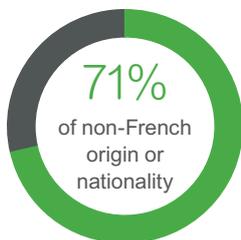
Directors are appointed for four-year terms (renewable). However, from the age of 70, Directors are re-elected or appointed for a period of two years. No more than one-third of the Directors may be 70 years old or over.

Mrs. Xiaoyun Ma represents the employee shareholders in accordance with the provisions of Articles L.225-23 and L.22-10-5 of the French Commercial Code. She was elected at the Annual Shareholders' Meeting upon the recommendation of the supervisory boards of the FCPEs.

Mrs. Rita Felix and Mr. Patrick Montier represent the employees in accordance with the provisions of Article L.225-27-1 of the French Commercial Code. They were appointed respectively by the European works council and by the most representative trade union organization in France in pursuance of Article 11.4 of the Articles of Association.

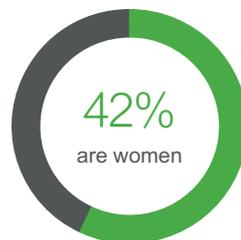
As of December 31, 2020:

Directors' nationality



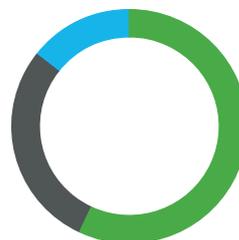
- Non-French origin or nationality (10)
- French (4)

Board representation by gender*



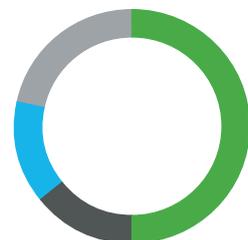
- Men (8)
- Women (6)

Directors' age



- 55 years old or less (3)
- 56 to 65 years old (9)
- > 65 years old (2)

Board tenure (Chairman and CEO excluded)



- 1-5 years (7)
- 6-12 years (2)
- > 12 years (1)
- < or equal to 1 year (3)

* (Directors representing employees excluded as per AFEP-MEDEF Corporate Governance Code). In addition, out of five committees, two are chaired by a woman: the Audit & Risks Committee (Mrs. Cécile Cabanis) and the Human Resources & CSR Committee (Mrs. Linda Knoll).

Proposals to the Annual Shareholders' Meeting on the composition of the Board of Directors

- As part of the Board's continuous review of its composition, the Board of Directors asked the Governance & Remunerations Committee to work on the search for candidates. In doing so, the Committee identified the skills that would be required to diversify and strengthen the Board composition and hired an external recruitment firm (Heidrick & Struggles) to search for suitable candidates. Among these candidates, the Governance & Remunerations Committee preselected a short list and the members of the Committee interviewed the short-listed candidates. Following these interviews, the Committee recommended a candidate to the Board of Directors, Mrs. Anna Ohlsson-Leijon who, on February 10, 2021, was appointed as an Observer with the aim to propose her appointment to the Shareholders' Meeting. She will bring to the Board her

professional experience and skills based on her wide-ranging finance and business background, and will further add to the gender diversity of the Board of Directors. She will qualify as an independent Director with regard to all the criteria set by Article 9.5 of the AFEP/MEDEF Corporate Governance Code and, if appointed, will join the Audit & Risks Committee.

- Mr. Jean-Pascal Tricoire's term of office expires at the close of the 2021 Annual Shareholders' Meeting. On February 10, 2021, the Board, following the recommendation from the Governance & Remunerations Committee, decided to propose to the Annual General Meeting to renew Mr. Jean-Pascal Tricoire's office as Director for a four-year term with the intention to renew his office as Chairman & Chief executive officer. The performance by Mr. Jean-Pascal Tricoire of the duties of Chairman and CEO seems particularly appropriate to the Board of Directors taking into account:

- The results of the external Board assessment conducted in October 2020 that confirmed that (i) all Board members individually support the current leadership structure and (ii) the level of transparency between management team and the Board of Directors is considered as excellent;
- Jean-Pascal Tricoire's profile, his excellent track record within the Company, his leadership, and his openness to the Board members' recommendations;
- The current unprecedented COVID-19 crisis which reinforces the leadership needs of the Group, especially with the renewal of the Executive Committee made in February 2020;
- The governance mechanisms in place to safeguard the balance of power between the Board and the management (appointment of a Lead Independence Director with specific powers, high rate of independent Directors within the Board (73%), independence of the committees mainly chaired by independent Directors, executive session proposed systematically at the end of each Board meeting);
- The requirement for the Board to deliberate each year on the unification of the functions of Chairman and Chief executive officer in pursuance of its internal regulations.

All these considerations conducted the Board, on February 10, 2021, to decide to propose to the Annual General Meeting to be held on April 28, 2021 to renew Mr. Jean-Pascal Tricoire's office as Director for a four-year term and his office as Chairman & CEO. On the occasion of its annual review of the governance mode of the Company, the Board has, however, expressed the wish to separate the roles of Chairman and Chief executive officer in the future. The Board is planning a separation of the two roles during Mr. Tricoire's upcoming term.

- Mrs. Xiaoyun Ma was appointed Director to represent employee shareholders pursuant to Article 11-3 of the Articles of Association and her term of office expires at the close of the 2021 Annual Shareholders' Meeting. As a consequence, her successor must be appointed according to the procedure provided in this Article which stipulates that when employee shareholders hold more than 3% of the capital at the close of a given financial year, their representative must be elected by the Annual Shareholders' Meeting from the candidates appointed by the supervisory boards of the FCPEs invested in company shares or by the employee shareholders when their shares are held directly and not via FCPEs. The candidates designated by this procedure are:
 - Mr. Thierry Jacquet on the proposal of the French FCPE;
 - Mrs. Zennia Csikos and Mrs. Xiaoyun Ma on the proposal of the international FCPE;
 - Mrs. Malene Kvist Kristensen for the employee shareholders holding their shares directly.

Their biographies are provided in section 1.1 of Chapter 7.

The Board of Directors, upon the report from the Governance & Remunerations Committee, decided to support the resolution n°13 providing for the appointment of Mrs. Xiaoyun Ma as member of the Board of Directors representing employee shareholders. Xiaoyun Ma's profile fits with the Group's objectives in terms of experience within the Group and internationalization, as set by the Board of Directors in relation to its composition.

- At its meeting of February 10, 2021, the Board of Directors took note of Mr. Patrick Montier's decision not to represent himself as a candidate for the renewal of his term of office. As Mr. Patrick Montier was appointed to represent employees pursuant to Article 11-4 of the Articles of Association, his successor must be appointed according to the procedure provided in this Article which stipulates that the French employee representative must be designated by the trade union which obtained the highest number of votes at the most recent elections which is as of today, Force Ouvrière (FO).

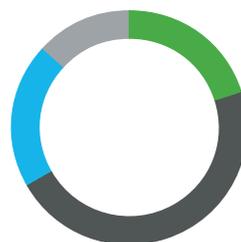
The renewed Board would comprise:

- 15 members;
- 75% of independent Directors (excluding consideration of the Director representing employee shareholders and the Directors representing the employees, in accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code);
- a percentage of women which will rise to 42% (Director representing employee shareholders and Directors representing employees excluded as per the provisions of the French Commercial Code) should Mrs. Anna Ohlsson-Leijon be appointed; and
- a strong proportion of Directors of non-French origin (73%) reflecting the international nature of the Group.

1. Governance Report



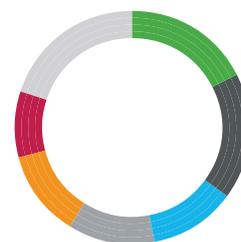
Board members spread across all geographies



- North America (3)
- Europe (7)
- France (3)
- Asia (2)

Out of six former or current CEOs of listed companies, three are from the energy sector and three from the digital industry.

Board expertise**



- Deep financial or accounting skills (6)
- Deep knowledge of the Group's markets (6)
- Deep digital skills (4)
- Deep knowledge of the US market (4)
- Deep knowledge of the Asian market (4)
- Deep sustainability skills (3)
- Deep knowledge of the Group (7)

* Excluding the Director representing the employee shareholders and the Directors representing the employees. In pursuance of PACTE law, from the 2021 Annual Shareholders' Meeting onwards, the Directors representing employees and the Director representing employee shareholders will no longer count for the purpose of the calculation of the gender ratio which, upon expiry of Mrs. Xiaoyun Ma's term of office, will be brought down to less than the legal requirement. If the Annual Shareholders' Meeting of April 28, 2021 approves the appointment of Mrs. Anna Ohlsson-Leijon, the gender ratio will be brought up to 42% and the independent rate to 75%.

** Excluding the CEO.

1.2 Organizational and operating procedures of the Board of Directors

1.2.1 Governance structure

The Company is a European company with a Board of Directors. The functions of the Chairman and the Chief executive officer are carried out by Mr. Jean-Pascal Tricoire, who was appointed Chairman and Chief executive officer on April 25, 2013 and renewed on April 25, 2017.

The performance by Mr. Jean-Pascal Tricoire of the duties of Chairman and Chief executive officer seems particularly appropriate to the Board of Directors for all the reasons exposed in the pages just above relating to "Proposals to the Annual Shareholders' Meeting on the composition of the Board of Directors".

Powers and responsibilities of the Vice-Chairman & Lead Independent Director

Article 1 of the internal regulations of the Board of Directors defines the duties and missions of the Vice-Chairman & Lead Independent Director who is mandatorily appointed when the board decides to unify the functions of Chairman and Chief executive officer. As such, the Vice-Chairman:

- is informed of major events in the life of the Group within the framework of regular contacts and monthly meetings with the Chairman, as well as through contacts that he/she can have with managers of Schneider Electric and possible visits to the Group's sites he/she can undertake. In addition, he/she can attend all meetings of committees of which he/she is not a member;
- can answer shareholders' questions or meet them on governance issues when it is considered that he/she is the most appropriate spokesperson;
- sets the agenda for Board meetings with the Chairman;
- chairs the Governance & Remunerations committee which, starting from the evaluation of the functioning of the Board and that of the CEO, proposes each year to the Board to the continuation or separation of the unified functions of Chairman and Chief executive officer and, as needed, makes proposals for a successor in one or both functions;
- chairs the "executive sessions", i.e. meetings of the Board of Directors not in the presence of any executive member, namely the CEO and Deputy CEO(s), if any;
- reports to the Chairman on the results of the "executive sessions";
- leads the annual evaluations of the Board of Directors;
- informs the Chairman and CEO and the Board of any conflicts of interest which could be identified or which may be reported to him/her;
- reports on his/her activities during the Annual Shareholders' Meeting.

It is reminded that at the close of the Annual Shareholders' Meeting of April 23, 2020, Mr. Léo Apotheker no longer qualified as an independent Director due to his long years of service on the Board under AFEP-MEDEF Corporate Governance Code and, as a consequence, no longer served as Vice-Chairman & Lead Independent Director. At its meeting of February 19, 2020, the Board of Directors designated Mr. Fred Kindle, whose biography is provided on page 220 to become Vice-Chairman & Lead Independent Director of Schneider Electric SE. In application of Article 10 of the internal regulations which prescribes that the Governance & Remunerations Committee shall be presided by the Vice-Chairman & Lead Independent Director, Mr. Fred Kindle chairs this committee of which Mr. Léo Apotheker remains a member.

The charter for the Vice-Chairman & Lead Independent Director is found on page 246. **As every year, the Vice-Chairman & Lead Independent Director, now Mr. Fred Kindle, reported on the missions he carried out in 2020 in line with his functions (page 259).**

1.2.2 Missions and powers of the Board of Directors

Specific powers are vested in the Board of Directors under French law and the Company's Articles of Association as well as the Internal Board Regulations.

The Board of Directors

Powers vested by law

- determine the Group's strategic directions and ensures their implementation, in doing so, the Board shall act in accordance with the corporate interest and shall take into account social and environmental matters;
- examine all matters related to the efficient operation of the business and make decisions about any and all issues concerning the Company, within the limits of the corporate purpose, except for those matters which, by law, can only be decided on by the shareholders in a Shareholders' Meeting;
- approve the corporate and consolidated financial statements;
- carry out all audits and controls that it deems necessary;
- authorize any regulated agreements on a preliminary basis;
- co-opt Directors whenever necessary;
- determine the method of exercising the senior management of the Company;
- appoint executive Corporate Officers and also remove them from office (Chief executive officer and Deputy Chief executive officers, if any), and subject to shareholders' control, set their compensation and the benefits granted to them as well as the compensation policy applicable to them;
- set the Directors' remuneration within the total maximum amount determined by the Annual Shareholders' Meeting as well as the compensation policy applicable to them;
- call Annual Shareholders' Meetings and approve all reports submitted to shareholders;
- decide on the use of authorizations granted by the Shareholders' Meetings, more particularly for increasing Company capital, buying back the Company's own shares, carrying out employee shareholding transactions, implementing Long-Term Incentive Plan through the granting of Performance Shares and canceling shares;
- authorize the issue of bonds;
- authorize the issue of sureties, endorsements, and guarantees.

Additional powers arising from Articles of Association or Internal Board Regulations

- may appoint a Vice-Chairman;
- may appoint up to three Board Observers;
- regularly review, in relation to the strategy it has defined, the opportunities and risks, such as financial, legal, operational, social and environmental risks, as well as the measures taken accordingly;
- ascertain the implementation of a process aimed at preventing and detecting corruption and influence peddling;
- checks that the executive Corporate Officers implement a policy of non-discrimination and diversity, notably with regard to the balanced representation of men and women on executive bodies;
- shall give prior authorization for:
 - all disposals or acquisitions of holdings or assets by the Company or by a Group company for a sum of more than 250 million euros,
 - concluding any strategic partnership agreement;
- shall review every year its composition, its organization and its mode of operation;
- shall be consulted prior to acceptance by the Chief executive officer or Deputy Chief executive officers of any corporate appointment in a listed company outside the Group;
- shall be informed about market developments, competitive environment and the most important challenges the company has to face, including in the area of social and environmental responsibility.

1. Governance Report

1.2.3 Internal regulations and procedures of the Board of Directors

On April 25, 2013, the Board of Directors adopted its own internal regulations. These were later modified on December 11, 2019 to reflect the regulatory changes which took place in 2019. These internal regulations include the rules of procedure of the board committees and the Directors' charter as recommended by the AFEP-MEDEF Corporate Governance Code. The regulations are reproduced hereafter and available on the Company's website, www.se.com.

Article 1 – Method of exercising general management – chairmanship and vice-chairmanship of the Board of Directors

A. Method of exercising general management

1. General management of the company is under the responsibility of either the chairperson of the Board of Directors, who will then go by the title of Chairman and Chief executive officer, or of another natural person appointed by the Board of Directors going by the title of Chief executive officer.
2. The Board of Directors decides between these two methods of exercising general management at the time when the Chairman of the Board of Directors or the Chief executive officer is appointed or when renewing their terms of office. If the Board of Directors has decided to combine the functions of Chairman and Chief executive officer, it will deliberate on this choice every year.
3. In order to maintain continuity in the company's operation if the Chairman serving as CEO leaves his role or is prevented from doing so, the Deputy CEO(s) shall take the interim responsibility for general management functions in the company, unless otherwise decided by the Board, until such time as a new CEO is appointed. The Vice-Chairman shall temporarily take the Chair of the Board of Directors.

B. Chairperson of the Board of Directors

1. The Board of Directors shall elect a chairperson amongst its members ("Chairman"). The Chairman shall be appointed for a period that can be no longer than his/her term of office as a Director. The Chairman is eligible for re-election. He/she may be removed from office by the Board of Directors at any time.
2. The Chairman of the Board of Directors organizes and manages the Board's activities, and reports thereon at the Annual General Shareholders Meeting.
3. The Chairman of the Board of Directors sets the agenda and the schedule for Board meetings with assistance from the Vice-Chairman Lead Director.
4. The Chairman of the Board of Directors ensures that the different corporate bodies operate correctly and especially that the Directors are in a position to fulfill their mission. The Chairman may request any document or item of information useful to enlighten the Board of Directors when preparing its meetings.

C. Vice-Chairman of the Board of Directors – Lead Independent Director

1. The Board of Directors may appoint a Vice-Chairman. The Vice-Chairman shall be appointed for a period that may not be any longer than his term of office as a Director. The Vice-Chairman is eligible for re-election. The Vice-Chairman may be removed from office by the Board of Directors at any time.
2. The Vice-Chairman shall preside over Board meetings in the absence of the Chairman.

The Vice-Chairman shall be called upon to replace the Chairman of the Board of Directors in the event of any temporary inability of the latter to fulfill his/her functions or in the event of death. In the event of the Chairman's inability to fulfill his/her functions, he/she will be replaced by the Vice-Chairman as long as his/her inability may last and, in the case of death, until the election of a new Chairman.

3. In exception to 1 above, and in compliance with Article 12.2 of the Articles of Association, the appointment of a Vice-Chairman is compulsory if the roles of Chairman and CEO are combined. In this case, the Vice-Chairman also takes on the role of independent Director. In this respect:
 - The Vice-Chairman is kept informed of major events in Group life through regular contacts and monthly meetings with the Chairman serving as CEO;
 - The Vice-Chairman is consulted by the Chairman serving as CEO on the agenda and the sequence of events for every Board meeting as well as on the schedule for Board meetings;
 - At the end of every Board meeting, the Vice-Chairman convenes executive sessions with non-executive members of the Board of Directors, over which he will preside. It is the Vice-Chairman's responsibility to appreciate for each topic discussed whether the employee Directors should leave the meeting till the topic is closed. In addition, the Vice-Chairman may convene an executive session between two Board meetings. Any Director may ask the Vice-Chairman to convene additional executive sessions;

- The Vice-Chairman shall promptly report to the Chairman serving as CEO on the conclusions of executive sessions;
- The Vice-Chairman shall draw the attention of the Chairman and of the Board of Directors to any possible conflicts of interest that he may have identified or which may be reported to him;
- The Vice-Chairman is the chairperson of the Governance and remuneration Committee;
- Like any other member of the Board, the Vice-Chairman may attend any meetings of committees of which he is not a member;
- In order to complement his knowledge, the Vice-Chairman may meet the Group's leading managers and visit company sites;
- The Vice-Chairman carries out annual assessments of the Board of Directors and, in this context, assesses the actual contribution of every member of the Board to the Board's activities;
- The Vice-Chairman shall report on his actions at Annual General Shareholders Meetings;
- The Vice-Chairman shall meet any shareholder who wishes so and inform the Board of their concerns on governance matters.

4. The Vice-Chairman Lead Director must be an independent member of the Board, as defined in accordance with the criteria published by the company.

Article 2 – Roles and powers of the Board of Directors

1. The Board of Directors shall determine company business policies in accordance with its social interest and while considering its social and environmental aspects, and ensure that they are implemented. Subject to the powers expressly conferred to Annual General Shareholders Meetings and within the limit of the corporate purpose, it shall deal with any issue affecting the company's efficient operation and take business decisions within its remit.

The Board regularly reviews, in relation to the strategy it has defined, the opportunities and risks, such as financial, legal, operational, social and environmental risks, as well as the measures taken accordingly. To this end, the Board of Directors receives all of the information needed to carry out its task, notably from the executive Corporate Officers (Chief executive officer, Deputy Chief executive officers).

The Board ascertains the implementation of a process aimed at preventing and detecting corruption and influence peddling. It receives all of the information required for this purpose.

The Board also checks that the executive Corporate Officers implement a policy of non-discrimination and diversity, notably with regard to the balanced representation of men and women on the governing bodies.

2. In accordance with legal or statutory provisions, it is the Board of Directors' responsibility to:
 - Determine the method of exercising general management of the company;
 - Appoint executive Corporate Officers and also remove them from office as well as to set their remuneration and the benefits granted to them;
 - Co-opt Directors whenever necessary;
 - Convene Annual General Shareholders Meetings;
 - Approve corporate and consolidated accounts;
 - Draw up management reports and reports for Annual General Shareholders Meetings;
 - Draw up management planning documents and the corresponding reports;
 - Draw up the corporate governance report as provided for in Article L.225-37 of the French Commercial Code;
 - Decide on the use of the delegations of authority granted at Annual General Shareholders Meetings, more particularly for increasing company capital, redeeming the company's own shares, carrying out employee shareholding operations and cancelling shares;
 - Authorize the issue of bonds;
 - Decide on the handing out of options or restricted/Performance Shares within the limits of authorizations given at Annual General Shareholders Meetings;
 - Authorize statutory conventions (conventions covered by Article L.225-38 and following of the Commercial Code);
 - Implement a process to regularly assess that the rules used to qualify a related party transaction as regulated agreement or not, are relevant and effective;
 - Authorize the issue of sureties, endorsements and guarantees;
 - Decide on the constitution of study committees and designate their members;
 - Decide on the dates for the payment of dividends and any possible down-payments on dividends;
 - Distribute Directors' remuneration allocated at the Annual General Shareholders Meeting amongst members of the Board of Directors.

1. Governance Report

Article 2 – Roles and powers of the Board of Directors continued

In compliance with the provisions set forth in the Commercial Code, the Board of Directors delegates all powers to the Chairman serving as CEO (or the CEO if appropriate):

- For issuing, with the possibility of sub-delegating, sureties, endorsements or guarantees within a maximum annual sum of 500 million euros, limited per surety, endorsement or guarantee to:
 - (i) EUR150 million for commitment guarantees made by Group subsidiaries for Group financial optimization operations,
 - (ii) EUR250 million for commitment guarantees made by Group subsidiaries, for taking over the company's commitments whenever acquisition operations are made on companies or business activities,
 - (iii) EUR100 million for other guarantees.

The above limits are not applicable to any sureties, endorsements and guarantees that may be issued with regard to tax or customs authorities.

- For formally recording any increases in capital following conversions of convertible bonds, exercising warrants and stock options, as well as subscribing to capital securities or shares giving access to company capital in the context of increases in capital reserved for employees and carrying out all prior and subsequent formalities related to any such changes in capital and to any modifications to the Articles of Association.
3. To enable the Board to exercise its duties as defined in 1 and beyond its specific powers summarized in 2, the Board of Directors:
- Shall be informed by its Chairman or by its committees of any significant event concerning the company's efficient operation as well as the successful conclusions of any significant projects;
 - Shall give prior authorization for:
 - All disposals or acquisitions of holdings or assets by the company or by a Group company for a sum of more than 250 million euros,
 - Concluding any strategic partnership agreement;
 - Shall review every year its composition, its organization and its mode of operation;
 - Shall be consulted prior to acceptance by the Chief executive officer or Deputy Chief executive officers of any corporate appointment in a listed company outside the Group;
 - Shall be informed about market developments, competitive environment and the most important challenges the company has to face, including in the area of social and environmental responsibility.
4. The activities of the Board of Directors and its committees shall be described in the corporate governance report.

Article 3 – Membership of the Board of Directors

In the proposals it makes and the decisions it takes, the Board of Directors shall ensure:

- That it reflects the international nature of the Group's activities and of its shareholders by having a significant number of members of non- French nationality;
- That it protects the independence of the Board through the competence, availability and courage of its members;
- That it pursues its objective of diversifying the Board of Directors in compliance with the legal principle of attaining balanced representation between men and women on the Board;
- That it appoints persons with the expertise required for developing and implementing the Group strategy while considering the objectives of diversity based on criteria such as age, professional skills and experiences;
- That employee shareholders and employees shall continue to be represented on the Board in compliance with the provisions set forth in Articles 11.3 and 11.4 of the Articles of Association;
- That it preserves the continuity of the Board by changing some of its members at regular intervals, if necessary by anticipating the expiry of members' terms of office.

Article 4 – Meetings of the Board of Directors

1. The Board of Directors shall meet whenever the interests of the company so require and at the least six times a year, including one meeting for examining strategy in detail.

Notices to attend shall be issued by all means, including verbally. They shall be sent via the secretary of the Board.

2. Board meetings shall be convened by the Chairman or, if such person is unable to do so, by the Vice-Chairman.

Moreover, if no Board meeting takes place for over two months, the Chairman must convene a meeting of the Board at a date no later than fifteen days after at least one-third of the members of the Board have made a justified request for this purpose. If the request goes unheeded, the person or persons requesting the meeting may convene a meeting himself or themselves, stating the agenda of the proposed meeting.

Similarly, the Chief executive officer, if he is not Chairman of the Board of Directors may also address a request to the Chairman to convene a meeting on any given agenda.

The person responsible for convening the meeting shall set its agenda. The agenda may be modified or completed at the time of the meeting.

Board meetings shall be held at the company's registered offices or at any other place specified in the notice of the meeting, whether in France or abroad.

3. Any member of the Board may appoint another member to represent him at a Board meeting by means of a proxy form.

During the same meeting, each member of the Board may only use one proxy form that he has received further to the foregoing paragraph.

Members of the Board may attend Board meetings by videoconference or telecommunication links, which allow them to be identified and which guarantee their effective participation. In such a case, they are counted among the members present to the meeting. However, in accordance with applicable laws, for the purposes of checking and controlling annual accounts, consolidated accounts and the management report, the members of the Board of Directors who attend the meeting by videoconference or telecommunication links shall not be taken into account for the purposes of determining the quorum or the majority.

Deliberations of the Board of Directors shall only be valid if at least half of the Directors are present. However, in application of Article 15 of the Articles of Association, the Board of Directors may only deliberate validly on the methods for exercising general management if two-thirds of the Directors are present or represented.

Decisions shall be taken on a majority vote by the Directors present or represented. In the event of equality of votes, the Chairman of the meeting shall have the casting vote.

4. Besides the secretary of the Board, the Deputy CEO in charge of finance shall attend Board meetings.

The Board of Directors shall hear operational managers concerned by major issues submitted to examination by the Board.

The Board of Directors may authorize persons who are not members of the Board to attend Board meetings including by videoconference or by telecommunication links.

5. An attendance register shall be kept at the registered office.

The proceedings of the Board of Directors shall be recorded in minutes.

The secretary of the Board shall be authorized to certify copies or excerpts from the minutes of the Board's proceedings.

Article 5 – Information for the Board of Directors

Members of the Board of Directors shall be provided with all the information necessary to enable them to carry out their duties and this within time limits that enable them to familiarize themselves with this information in a meaningful way. They may procure any documents they require for this purpose prior to meetings.

Any request for information made by members of the Board on specific subjects shall be addressed to the Chairman serving as CEO (and, if appropriate, to the CEO), who will reply thereto as promptly as possible.

In order to provide members of the Board of Directors with complete information, visits to sites and customers shall be organized for them. Members of the Board of Directors shall have the right to meet the main company executives. They shall inform the Chairman serving as CEO (and, if appropriate, the CEO) thereof.

The Chairman serving as CEO shall meet each member of the Board individually once a year.

1. Governance Report

Article 6 – The status of members of the Board of Directors

1. Members of the Board of Directors shall represent all the shareholders and shall act in the interests of the company in all circumstances.
2. Members of the Board of Directors shall attend Board meetings and meetings of the committees of which they are members.

Any member, who has not attended at least half of the meetings held during the year, unless there are exceptional reasons, shall be deemed to wish to terminate his term of office and shall be invited to resign from the Board of Directors or the committee concerned, as appropriate.

3. Members of the Board of Directors shall be bound by a general confidentiality obligation with respect to the deliberations of the Board and the committees and with respect to information which is not in the public domain, which they receive further to performing their duties.
4. Directors may not exercise more than 4 other terms of office in listed companies outside the Group.
5. Members of the Board of Directors shall have a duty to inform the Board of Directors of any office they may hold or no longer hold in other companies.
6. Members of the Board of Directors have a permanent duty to ensure that their personal situation shall not give rise to a conflict of interest with the company. In this respect, they shall disclose:

- the existence of any conflict of interest, even a potential one, upon assuming their duties and then each year in response to a request made by the company at the time of preparation of its Universal Registration Document;
- upon occurrence of any event which would render the statement above mentioned totally or partially inaccurate.

Any member of the Board of Directors having a conflict of interest, even a potential one, has a duty to notify it to the Vice-Chairman Lead Director who shall in turn inform the Board of Directors. The Board of Directors shall rule upon the conflict of interest and may request to the member(s) of the Board of Directors concerned to correct his/her situation. The member of the Board of Directors having a conflict of interest, even a potential one, shall not take part to the discussions nor to the vote of the corresponding decision and shall leave the meeting of the Board of Directors when the decision is debated.

7. During their term of office, members of the Board of Directors, to the exclusion of the Directors representing employees, shall possess at least 1,000 shares in Schneider Electric SE. For applying this obligation, except for the 250 shares which must be held to comply with Article 11.1 of the Articles of Association, shares held via a company mutual fund essentially invested in the company shares can be taken into account. The Schneider Electric shares that they hold shall either be in purely registered (*nominatif pur*) or in managed registered (*administré*) form.
8. Members of the Board of Directors shall inform the French financial market authority within three business days from the completion of the operation, by e-mail at the following address: <https://onde.amf-france.org/RemiseInformationEmetteur/Client/PTRemiseInformationEmetteur.aspx>, as well as the secretary of the Board, of any acquisition, sale, subscription or exchange concerning shares issued by Schneider Electric SE or any operation on financial instruments linked thereto, conducted on their own account or on their behalf.
- 8A. Members of the Board of Directors shall provide the secretary of the Board with the list of the persons closely associated with them as defined by the European Regulation n°596/2014 ("Market Abuse Regulation"), whom they shall notify of their individual duties to inform the French financial market authority and Schneider Electric SE (to the attention of the secretary of the Board), similar to those applicable to themselves pursuant to paragraph 8 above.
9. Members of the Board of Directors undertake to abide by the compliance Code governing stock-market ethics, of which they have received a copy, with respect to their personal financial transactions. In consequence, members of the Board of Directors may not acquire or dispose of options or any other derivative relating to Schneider Electric SE shares, except authorized hedging of stock-options plans in order to hedge stock option plans (eg: hedging of shares subscribed upon exercise of options).

Members of the Board of Directors shall refrain from carrying out any transaction involving company's listed shares during the 31 days before the day following publication of annual or half-yearly accounts, and during the 16-day period before the day following publication of quarterly information. The same principle applies when they hold insider information, i.e. precise information concerning the company, which has not been made public and which, if it were made public, could have a marked impact on share price or on any financial instrument related to them.

10. Members of the Board of Directors shall attend Annual General Shareholders Meetings.
11. Members of the Board of Directors shall be remunerated by the payment of an annual fixed amount allocated at Annual General Shareholders Meetings. The said amount will be distributed by the Board of Directors to its members.

The Board of Directors may grant exceptional remuneration for assignments or offices conferred upon Directors.

12. Travelling expenses, notably including hotel and restaurant expenses, incurred by the members of the Board of Directors in relation to the performance of their duties, shall be borne by the company on presentation of supporting documents.
13. Members of the Board of Directors shall complete the on-boarding programme offered to them at the beginning of their first term.

Article 7 – Non-voting Directors

The non-voting Directors shall attend Board meetings in a consultative capacity.

They shall receive the same information as the other members of the Board. They may be appointed as members of committees, except for the Audit Committee.

They shall act in the interest of the company under all circumstances.

They shall be bound by the same general confidentiality obligation as the members of the Board of Directors and shall be subject to the same limitations regarding transactions involving the company's shares. Their remuneration shall be determined by the Board of Directors.

Article 8 – The committees of the Board of Directors

1. The committees created by the Board of Directors shall be as follows:
 - Governance and Remuneration Committee;
 - Audit and Risks Committee;
 - Human Resources and Corporate Social Responsibility Committee;
 - Investment Committee;
 - Digital Committee.
2. The role of these committees shall be to research and prepare certain matters to be considered by the Board of Directors. They shall make proposals, give recommendations and issue opinions, as appropriate, in their area of competence.

Created by virtue of Article 13 of the Articles of Association, they shall only have a consultative role and shall act under the authority of the Board of Directors.

3. The chairpersons and members of the committees shall be appointed by the Board of Directors. However, the Vice-Chairman Lead Director shall preside over the Governance and remuneration Committee. They shall be appointed in a personal capacity and may not be represented.

The terms of office of committee members shall coincide with their terms of office as members of the Board of Directors. The terms of office of committee members may be renewed.

As a matter of good governance and to the exclusion of the Governance and Remuneration Committee chaired by the Vice-Chairman Lead Director, committee chairs should be rotated and not exceed four-years for a given committee. The Board of Directors shall deliberate annually on the chairmanship of the concerned committee whenever such four-year limit is reached or exceeded.

4. Committees shall meet on the initiative of their chairperson or on request from the Chairman of the Board of Directors or the CEO.
5. The Chairman serving as CEO or the CEO shall be kept informed of committee meetings. He/she shall be in regular contact with committee chairmen.
6. Committee meetings shall be held at the company's registered offices or any other place decided upon by the chairperson of the committee with an agenda prepared by the latter. If necessary they may be held by audio or video conference.

Members of the Board of Directors may attend meetings of committees of which they are not a member. Only the members of the committee shall take part in the committee's discussions.

A secretary will prepare the minutes of the meetings, which shall be recorded in an ad hoc register specific to each committee by the secretary of the Board.

A report on each committee's activities shall be given by the committee's chairperson or one of its members at the next Board meeting. Minutes of committee meetings shall be provided for the members of the Board of Directors.

After referring the matter to the Chairman of the Board, every committee may request studies from external consultants. Every committee may invite any person of its choice to its meetings, as and when required.

7. Other than the permanent specialist committees that it has created, the Board of Directors may also decide to set up any ad hoc committees for specific operations or assignments.

1. Governance Report

Article 9 – The Audit and Risks Committee

1. Membership and operation of the Audit Committee

The Committee shall be comprised of at least three members, two-thirds of whom must be independent members of the Board of Directors. At least one of the members must possess special skills concerning matters of finance and accountancy and be independent with regard to specified, published criteria.

The Deputy CEO in charge of finance shall act as the Audit Committee's contact. The head of internal audit shall act as secretary to the Audit Committee.

The Committee shall meet at least five times a year. The chairperson of the Committee shall draw up agendas for meetings.

The meetings shall be attended by members of the finance department and of the company's internal audit department and, with respect to meetings devoted to examining accounts, by the statutory auditors. The Committee may invite any person it wishes to hear to its meetings. It may also require the CEO to provide any documents it deems to be useful.

Outside the presence of company representatives, the Committee shall regularly hear the statutory auditors and the head of the internal audit.

2. The duties of the Audit Committee

The Audit Committee monitors questions on drawing up and controlling accounting, financial and extra-financial information. It prepares the Board of Directors' decisions in these domains. It issues recommendations to the Board for the purpose of ensuring the integrity of the financial and extra-financial information and gives advices. For this purpose:

- It shall prepare for annual and half-yearly accounts to be approved by the Board and therefore, more particularly:
 - Checks the appropriateness and consistency of the accounting methods used for drawing up consolidated and corporate accounts, as well as checking that significant operations on Group level have been dealt with appropriately and that rules relating to the consolidation perimeter have been complied with;
 - Examines off-balance-sheet risks, including those of a social and environmental nature, and commitments as well as the cash situation;
 - Examines the process for drawing up financial and extra-financial information.
- It examines the draft annual report, which bears the status of Universal Registration Document and contains the information on internal control, the draft half-yearly report and, where applicable, any remarks made by the French Financial Market Authority (AMF) concerning these reports, as well as the other key financial information documents.
- It handles follow-up on legal control of annual and consolidated accounts made by statutory auditors, notably by examining the external audit plan and results of controls made by statutory auditors.
- After a consultation process, it shall suggest reappointing the existing statutory auditors or appointing new statutory auditors.
- It shall check the independence of statutory auditors, especially at the time of examining fees paid by the Group to their firm or their network, and by giving prior approval to any missions that are not strictly included in the scope of the statutory audit.
- It monitors the efficiency of internal control and risk management systems. For this purpose:
 - It shall examine the organization and resources used for internal audit, as well as its annual work program. It shall receive summaries of reports produced on audits on a quarterly basis. However, the chairperson of the Committee shall receive these reports in full;
 - The Committee shall examine operational risk-mapping and make sure that measures exist for preventing or minimizing risks;
 - It shall examine how to optimize risk coverage on the basis of reports requested from internal audit;
 - It shall examine Group internal control measures and look into the results of entities' self-assessments with respect to internal control. It shall ensure that a relevant process exists for identifying and processing incidents and anomalies;
 - It shall ascertain the existence of Group compliance policies notably concerning competition, anti-bribery, ethics and data protection and the measures implemented to ensure that these policies are circulated and applied.

The Audit Committee shall examine proposals for distribution as well as the amount of financial authorizations submitted for approval at Annual General Shareholders Meetings.

The Audit Committee reports to the Board on the implementation of Schneider Electric SE's Charter on the related party transactions and on the relevance of the criteria to qualify related party transactions as regulated agreements or not.

The Audit Committee shall examine all financial and accounting questions and questions related to risk-management submitted to it by the Board of Directors.

The Audit Committee reports to the Board on the findings of its works and how they contributed to the integrity of the financial and extra-financial information. It informs the Board of the follow-up actions that it proposes to take. The chairperson of the Audit Committee shall keep the Chairman and the Vice-Chairman Lead Director promptly informed of any difficulties encountered by the Committee.

Article 10 – Governance and Remuneration Committee

1. Membership and operation of the Governance and Remuneration Committee

The Committee shall be comprised of at least three members.

The Governance and remuneration Committee shall be presided by the Vice-Chairman Lead Director. Failing this, the Board shall appoint the chairperson of the Committee.

The secretary of the Board shall be the secretary of the Governance and remuneration Committee.

The Committee shall meet at the initiative of its chairperson. The agenda shall be drawn up by the chairperson of the Committee after consultation with the Chairman of the Board of Directors. The Committee shall meet at least three times a year.

In order to carry out its assignments, the Committee may hear any person it wishes.

2. The Governance and remuneration Committee's duties:

The Committee will formulate proposals to the Board of Directors in view of any appointment made:

(i) To the Board of Directors:

- Directors or non-voting Directors,
- Chairman of the Board of Directors, Vice-Chairman and Vice-Chairman Lead Director,
- Chairpersons and members of committees;

(ii) For general management of the company. The Committee will also give its opinion to the Board on nominations for any Deputy CEO's.

The Committee shall formulate proposals to the Board of Directors on the compensation policy of the executive Corporate Officers (Chairman of the Board of Directors and/or CEO, Deputy CEO), ensuring in particular its alignment with the corporate interest. The Committee shall prepare annual assessments of the persons concerned and make recommendations to the Board of Directors concerning the determination of the components of the compensation due to executive Corporate Officers in accordance with the compensation policy. To this end, it uses the works of the Human Resources and CSR Committee.

The Committee shall prepare the draft corporate governance report of the Board of Directors.

When the Committee reports to the Board on these matters, the Board of Directors debates and deliberates without the presence of the executive Corporate Officers.

The Committee shall propose measures to the Board of Directors that will reassure both shareholders and the market that the Board of Directors carries out its duties with all necessary independence and objectivity. For this purpose, it will organize for yearly assessments to be made of the Board of Directors. It shall make proposals to the Board of Directors on:

- Determining and reviewing Directors' independence criteria and Directors' qualifications with regard to these criteria;
- Missions carried out by the committees of the Board of Directors;
- The evolution, organization and operation of the Board of Directors and its committees;
- The company's use of national and international corporate governance practices;
- The total amount of Board members' remuneration proposed at Annual General Shareholders Meetings together with its allocation amongst them.

1. Governance Report

Article 11 – Human Resources and Corporate Social Responsibility Committee

1. Membership and operation of the Human Resources and Corporate Social Responsibility Committee

The Committee shall be comprised of at least three members.

The Director of Human Resources for the Group shall be the secretary to the Human Resources and Corporate Social Responsibility Committee.

The Committee shall meet at the initiative of its chairperson. The agenda shall be drawn up by the chairperson of the Committee after consultation with the Chairman serving as CEO. The Committee shall meet at least three times a year.

In order to carry out its assignments, the Committee may hear any person it wishes.

2. The Committee's duties:

The Committee shall formulate proposals to the Board of Directors on setting up share subscription/purchase options plans and free/Performance Shares plans.

The Committee shall formulate projects on proposals made by general management on:

- Compensation of the members of the Executive Committee;
- Principles and criteria for determining the compensation of Group executives.

The Committee shall be informed of any nomination of members of the Executive Committee and of the main Group executives. It shall examine succession plans for key Group executives.

The Committee shall prepare the Board of Directors' deliberations on (i) expansion of employee shareholding, (ii) review by the Board on social and financial impacts of major re-organization projects and major human resource policies, (iii) monitoring risks management in relation to human resources and (iv) examining the different aspects of the "CSR" Group policy.

Article 12 – Investment Committee

1. Membership and operation of the Investment Committee

The Committee shall be comprised of at least three members.

The Director of Group Strategy will be secretary to the Investment Committee.

The Committee shall meet at the initiative of its chairperson. The agenda shall be drawn up by the chairperson of the Committee after consultation with the Chairman serving as CEO. The Committee shall meet three times a year, less or more depending on the circumstances.

In order to carry out its assignments, the Committee may hear any person it wishes and call upon the Group M&A Director.

2. The Investment Committee's duties:

The Committee prepares the Board of Directors' deliberations on investment policy. To this purpose, the Committee:

- Shall elaborate recommendations for the Board on major capital deployment decisions;
- Shall advise the management team on capital deployment strategies;
- May launch, at the Board's request, or suggest research projects leading to material investments for the company, typically for capital deployment decisions of €250million or above;
- May investigate matters of smaller scale, if the strategic significance warrants it or the Board/Chairman of the Board specifically requires it;
- Shall provide recommendations on major merger, alliances and acquisition projects;
- Shall pay special attention to reconfiguration or consolidation scenarios happening in the sectors the company is operating in or likely to operate in;
- Shall examine portfolio optimizations and divestment projects of financial or strategic significance;
- Shall support the management in the elaboration of investment policies linked to the long-term positioning of Schneider Electric, such as innovation and R&D strategies or any major organic growth investments;
- Shall present to the Board social and environmental aspects of the strategic projects submitted to it such as M&A projects.

Article 13 – Digital Committee

1. Membership and operation of the Digital Committee

The Committee shall be comprised of at least 3 members.

The Chief Digital Officer or the Chief Information Officer will be secretary to the Digital Committee.

The Committee shall meet at the initiative of its chairperson. The agenda shall be drawn up by the chairperson of the Committee after consulting with the Chairman & CEO. The Committee shall meet at least three times a year, including a joint review on Cybersecurity risks with the Audit and Risk Committee.

In order to carry out its assignments, the Committee may hear any person it wishes.

2. The Digital Committee's duties

The purpose of the Digital Committee is to assist the Board in digital matters in order to guide, support and control the Group in its digitization efforts. The Digital Committee prepares the Board of Directors' deliberations on digital matters.

For this purpose, the Digital Committee will review, appraise and follow-up projects and, generally, advise, inter alia on 7 areas:

1. Development and growth of the EcoStruxure digital business, including (i) enhancing Core Businesses with Connectivity & Analytics, (ii) building new digital offers & business models, (iii) establishing its contribution to and consistence with the overall strategy;
2. Improvement and transformation of the Group's Digital Customers & Partners Experience;
3. Improvement of Schneider Electric's Operational Efficiency through the effective use of Information Technology and digital automation capabilities;
4. Assessment of Cyber Risks and enhancement of the Group's Cybersecurity posture (jointly with the audit Committee);
5. Assessment of the contribution of potential M&A operations to the Group's Digital strategy;
6. Monitoring and analysis of the Digital landscape (competitors and disrupters, threats and opportunities);
7. Checking that the company is equipped with the right pool of talents for digital transformation.

Article 14 – Perimeter of internal regulations

The present internal regulations have been unanimously approved by the Board of Directors. A purely internal act, their objective is to complete the Articles of Association by stipulating the main conditions of organization and operation of the Board of Directors. Their purpose is not to replace the Articles of Association. They may not be relied upon by shareholders or third parties for use against members of the Board of Directors, the company, or any company in the Schneider Electric Group. They may be modified at any time solely by deliberation of the Board of Directors.

1. Governance Report

1.2.4 Charter of the Vice-Chairman & Lead Independent Director

The Board of Directors adopted the Charter of the Vice-Chairman & Lead Independent Director which is reproduced hereafter and available on the Company's website, www.se.com.

1. The Board of Directors may appoint a Vice-Chairman. The Vice-Chairman shall be appointed for a period that may not be any longer than his term of office as a Director. The Vice-Chairman is eligible for re-election. The Vice-Chairman may be removed from office by the Board of Directors at any time.
2. The Vice-Chairman shall preside over Board meetings in the absence of the Chairman.

The Vice-Chairman shall be called upon to replace the Chairman of the Board of Directors in the event of any temporary inability of the latter to fulfill his functions or his death. In the event of the Chairman's inability to fulfill his functions, he will be replaced by the Vice-Chairman as long as his inability may last and, in the case of his death, until the election of a new Chairman.

3. In exception to 1 above, and in compliance with Article 12.2 of the Articles of Association, the appointment of a Vice-Chairman is compulsory if the roles of Chairman and CEO are combined. In this case, the Vice-Chairman also takes on the role of Lead Independent Director. In this respect:
 - the Vice-Chairman is kept informed of major events in Group life through regular contacts and monthly meetings with the Chairman serving as CEO;
 - the Vice-Chairman is consulted by the Chairman serving as CEO on the agenda and the sequence of events for every Board meeting as well as on the schedule for Board meetings;
 - the Vice-Chairman may convene executive sessions with non-executive members of the Board of Directors, over which he will preside. An executive session shall be included on the agenda of every Board meeting. It is the Vice-Chairman's responsibility to decide whether it should be held or not. It is therefore held as decided by the Vice-Chairman, either directly before or after each Board meeting. In addition, the Vice-Chairman may convene an executive session between 2 Board meetings. Any Director may ask the Vice-Chairman to convene an executive session;
 - the Vice-Chairman shall promptly report to the Chairman serving as CEO on the conclusions of executive sessions;
 - the Vice-Chairman shall draw the attention of the Chairman and of the Board of Directors to any possible conflicts of interest that he may have identified;
 - the Vice-Chairman is Chairman of the Governance Committee;
 - like any other member of the Board, the Vice-Chairman may attend any meetings of committees of which he is not a member;
 - in order to complement his knowledge, the Vice-Chairman may meet the Group's leading managers and visit company sites;
 - the Vice-Chairman carries out annual and biennial assessments of the Board of Directors and, in this context, assesses the actual contribution of every member of the Board to the Board's works;
 - the Vice-Chairman shall report on his actions at Annual General Shareholders' Meetings;
 - the Vice-Chairman shall meet any shareholder who wishes so and inform the Board of their concerns on governance matters.
4. The Vice-Chairman Lead Director must be an independent member of the Board, as defined in the criteria published by the company.

As a transitional measure, Article 12.2 of the Articles of Association provides for the first Vice-Chairman Lead Director to be the former Chairman of the supervisory board for the remaining duration of his term of office.

1.2.5 Information and training of the Board of Directors and its members

To ensure that the Board of Directors is well informed at all times, Schneider Electric SE applies the following rules: members of the Board have access, via a secure dedicated platform, in principle, ten days before every board meeting, to the agenda for the meeting and to the draft minutes of the last meeting and, four to five days before, to the Board's file. The documentation includes a quarterly activities report, presentations on items scheduled on the agenda or notes, and, as appropriate, draft statutory and consolidated financial information. A supplementary file may also be provided at the meeting.

Executive Committee members are invited, depending on the subject, to present the major issues within their areas of responsibility. Statutory auditors attend the portion of the Board's meetings at which the statutory and interim financial statements are reviewed.

Between each meeting of the Board of Directors, aside from meetings that they may have with the Chairman and CEO, Directors receive continuous information through periodic information letters, drafted exclusively for their attention, which keep them informed of developments in the Group, the competitive environment and developments in investor consensus and feedback. They also receive a weekly press review, all of the Company's press releases, relevant financial analysts' reports, and other documents.

Board members also have the opportunity to meet informally with key members of senior management between Board meetings.

Board of Director dinners are also organized in order to offer more opportunities to interact with investors, customers, experts, *etc.* These dinners are meant to provide the Board members with external views on the Group, to increase their understanding of the changes in its business environment, and to gain more insight on the needs and motivations of all stakeholders. In 2020, due to COVID-19 sanitary crisis, only one dinner was organized in February 2020 before the first lockdown in France.

On-boarding program of new Directors

A complete on-boarding program is provided to any new Director in order to help them to get a deep understanding of the business, the challenges and priorities of Schneider Electric as well as its governance and values. As such, new Directors are offered a training and information program on the Group's strategy and businesses designed around a common core which comprises of:

- a set of documents including, in particular, the last registration document and integrated report, the Company's Articles of Association, the internal regulations of the Board of Directors, the AFEP-MEDEF Corporate Governance Code, the compliance Code governing stock-market transactions (see below), the minutes of the Board's and committees' meetings for the period starting from the appointment back to the full year before, Directors' and officers' liability master policy and the last three periodic information letters;
- a summary relating to the Group organization;
- working meetings with the Chief Financial Officer and Executive Vice-presidents of Strategy, Energy Management, Industrial Automation, and other EVPs as the case may be;
- a work session with the secretary of the committee(s) he/she will join;
- concerning governance and values: work session with the Vice-Chairman & Lead Independent Director; the chief governance officer and secretary general, the secretary of the Board of Directors, as well as with the persons in charge of compliance and ethics and sustainable development;
- to know more about Schneider Electric's shareholding structure and shareholders' expectations, an interview with the senior Vice-president Investors Relations;
- training on the use of the secure dedicated platform on which all the board's files are filed and kept;
- the designation of a mentor for any new Director to facilitate his/her integration;
- as the case may be, visits to sites which are particularly illustrative of Schneider Electric's activities.

In addition, the Directors representing employees, Mrs. Rita Felix and Mr. Patrick Montier, benefit from a training program compliant with legal requirements and approved by the Board of Directors. In pursuance of new French regulations coming from law n°2019-486 of May 22, 2019 relating to companies' growth and transformation, known as PACTE law, the Director representing the employee shareholders, Mrs. Xiaoyun Ma, was offered a tailored training session to address her needs.

Compliance Code governing stock-market transactions

Schneider Electric has adopted a compliance Code governing stock-market transactions for members of the Board of Directors and Group employees designed to prevent insider trading. Under these provisions, both Directors and relevant employees are barred from trading in the Company shares and shares in companies for which they have inside information that has not yet been made public. In addition, they may not trade in Schneider Electric SE shares during the 31 days preceding the day following publication of the annual and interim financial statements, nor during the 16 days preceding the day following publication of a quarterly update, nor may they engage in any type of speculative trading involving Schneider Electric SE shares (including margin trading, purchasing, and selling shares in a period of less than four months). In addition, in accordance with the AFEP/ MEDEF Corporate Governance Code, Corporate Officers also undertake not to enter into hedges of shares resulting from exercise of options and of Performance Shares they are required to hold (see page 230). These restrictions supplement the prohibition against hedging unvested stock options and Performance Shares during their vesting period.

The compliance Code governing stock-market transactions was revised when the European "Market Abuse Regulation" No. 2014/596 of April 16, 2014 entered into force, and subsequently updated in December 2018. The regulation obliges companies to draw up insider lists, and market operators to put in place mechanisms aimed at preventing and detecting suspicious transactions, enabling them to report to the *Autorité des Marchés Financiers* those that seem to them to constitute insider dealing.

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1.2.6 Self-assessment of the Board of Directors

Pursuant to its internal regulations, Schneider Electric SE's Board of Directors annually reviews its composition, organization, and operations, as well as those of its committees. This yearly assessment is carried out through a written questionnaire sent to Board members or an interview with the Board member. The evaluation is conducted under the leadership of the Vice-Chairman & Lead Independent Director by the secretary of the Board of Directors. In addition, as per the AFEP-MEDEF Corporate Governance Code, the Board of Directors shall undertake at least once every three years, a formal self-assessment, which may be conducted with the assistance of an external consultant.

Formal self-assessment conducted in September and October 2020 (with the assistance of an independent and external expert)

In accordance with the three – year frequency recommended by the AFEP-MEDEF Code, a formal assessment of the activities of the Board of Directors and its specialized committees was performed at the end of 2020 with the assistance of an external service provider and under the responsibility of the Vice-Chairman & Lead Independent Director, who guaranteed the confidentiality of opinions expressed, the objectivity of analyses and the consultant's ability to freely express his recommendations.

To ensure independence and avoid any conflict of interest, it was decided to appoint a firm that was not otherwise involved in the recruitment of Directors on behalf of the Group. The assessment was therefore conducted by Russels Reynolds. For the purposes of the assessment, each Director was asked to complete a detailed questionnaire validated beforehand by the Lead Independent Director. The answers provided were used to prepare "interview guidelines" for meetings held with each Director to obtain, with complete anonymity, their comments and suggestions. The questions focused on the composition and activities of the Board of Directors and its Committees and enabled a self – assessment of the effective contribution of each Director. The Vice-Chairman & Lead Independent Director provided individual feedback on these assessments of the effective contribution of each Director.

A summary report was presented to the Governance & Remunerations Committee and to the Board of Directors on December 14, 2020 by the external consultant, analyzing the information gathered both through the questionnaires and the individual meetings. This report was discussed in detail.

Key findings

The 2020 external assessment of the Board of Directors concluded that Schneider Electric Board has:

- a leading edge in most governance and Board effectiveness aspects (future-oriented, well-functioning, effective best practices in corporate governance);
- a strong Board culture that is trust-based and open yet challenging with appropriate behaviors from all Board members;
- a good strategic, risk, and Environmental, Social and Governance alignment;
- a transparent relationship with the senior management team;
- a composition that was found to be particularly diverse and appropriate with the right set of skills, experiences, and geographies;
- a high consideration for actions and disclosures related to Environmental, Social and Governance issues that are considered to be at world class level.

The management of the Board meetings and processes were also praised.

Areas for improvement

No major short-term concerns were raised based on this external assessment. Nevertheless, the Company is undergoing significant transformation and it was recommended that continued emphasis was placed on the following few areas:

- Long-term Board composition and succession planning;
- Further improving Board materials, especially timelines and structure.

1.3 Board activities

The board held 12 meetings in 2020 (vs. 7 in 2019), four special meetings were dedicated to the COVID-19 crisis during the period of March to June 2020. The meetings lasted seven hours on average with a higher average participation rate of Directors than last year despite the increase in the number of meetings and the constraints due to the COVID-19 Crisis (97% in 2020 vs. 93% in 2019). Ten Directors have an attendance rate of 100% and none have an attendance rate less than 83% as shown in the table summarizing the Directors' individual attendance at board meetings. All absences were legitimate and excused.

The Board of Directors devoted most of its activities to the Company's business, strategy, corporate governance as detailed below:

Business and Financial results

- reviewed and approved the 2019 financial statements based on the Audit & Risks Committee's report and the report by the statutory auditors, who were present at the meeting;
- reviewed and approved the financial statements for the first half of 2020;
- reviewed the first and third quarterly business results and reports prepared by the senior management;
- reviewed the Group's 2020 guidance set in February as well as the suspension of this guidance and the new guidance issued in July and October 2020;
- decided to propose to the Annual Shareholders' Meeting that the dividend be set at €2.55 per share;
- was also informed, at each meeting, of the business situation;
- reviewed the update on the COVID-19 outbreak crisis response;
- heard a detailed presentation on the drawing-up and the findings of risk mapping and the Audit & Risks Committee's report on the works of the Group's internal audit and internal control teams;
- selected a new external statutory auditor;
- assessed the Group enterprise level business continuity plan;
- reviewed the principles and roadmap of the new performance management system;
- reviewed the Group Compliance System evolution;
- reviewed the Environmental, Social, and Governance (ESG) reporting;
- monitored the implementation of the share buyback;
- reviewed the debt and cash situation;
- authorized the issue of bonds and convertible sustainability linked bond;
- authorized the CEO to issue of sureties, endorsements, and guarantees.

Strategy

- conducted a thorough review of the Group strategy, as every year, as part of a meeting of 4 days named "Strategy session", held remotely in September 2020, specifically dedicated to the topic;
- focused, during this Strategy session, on an in-depth strategy review of Europe and France operations, as well as Energy Management, Industrial Automation, EcoStruxure™ and software;
- reviewed the Sustainability strategy;
- authorized or reviewed external growth operations: Larsen & Toubro's Electrical & Automation business, RIB Software, ProLeit, OSIsoft, Plannon, Etap;
- reviewed the portfolio;
- was informed about moves and changes concerning competitors of Schneider Electric.

1. Governance Report

Corporate governance

- discussed the composition of its membership and that of its committees and the principle of balanced representation of men and women;
 - to this end, it pursued its efforts aiming at reinforcing the geographical diversity of its members, keeping strong skills in the field of strategic challenges such as digital and at strengthening the deep knowledge of the Group's key markets and proposed to the Annual Shareholders' Meeting to vote in favor of Mrs. Jill Lee as Director as well as in favor of the renewal of the term as a Director of Mr. Léo Apotheker, Mrs. Cécile Cabanis, Mr. Fred Kindle, and Mr. Willy Kissling,
 - the Board of Directors also deliberated on the composition of its committees. In this respect, it decided on February 19, 2020 and ratified on April 23, 2020, the appointments of Mrs. Jill Lee as a member of the Audit & Risks Committee and of Mr. Léo Apotheker as Chairman of the Investment Committee; on July 28, 2020 it appointed Mrs. Rita Felix as a member of the Human Resources & CSR Committee;
- discussed whether to maintain the unification of the functions of Chairman and CEO;
- examined the succession plan for the Corporate Officer;
- deliberated, at its meeting of October 21, 2020, on its formal external assessment;
- discussed and reviewed the principles and criteria relating to the compensation of the Corporate Officers and approved the compensation and benefits of all types that may be or have been granted;
- was informed of the meetings with major shareholders conducted by the Vice-Chairman & Lead Independent Director on governance topics;
- was informed of the salary review of members of the Executive Committee;
- was informed of the works done by the Human Resources & CSR Committee on the succession plan for members of the Executive Committee;
- decided on the implementation of the 2020 Long-term incentive plan;
- checked and recorded the calculation of the level of achievement of performance conditions applicable to Performance Share plans n°28, 29, 29bis, 30, 31, 31bis, 32, 33, 34, and 35;
- decided on capital increases reserved for employees;
- approved the corporate governance report as provided for in article L.225-37 of the French Commercial Code;
- approved the management report as provided for in article L.225-100 of the French Commercial Code;
- examined the regulated agreements and commitments;
- approved a new regulated agreement governing the conditions of the departure of Mr. Emmanuel Babeau;
- reviewed the assessment process relating to the qualification of the related party agreements as "current" or "regulated";
- reviewed the Company purpose;
- examined thoroughly as every year the succession planning of the Corporate Officers and top management. The succession planning is the result of a two-stage process that is followed at the end of each year:
 - the Human Resources & CSR Committee reviews by name the list of talents who could be considered for potential succession to the top management, studies the profiles of the new-comers and the assessment of every individual's performance, ascertains the quality and the diversity of the selected pool, and reports to the board thereon;
 - the Chairman and CEO presents to the Governance & Remunerations Committee the various internal options to address immediate, short-term and long-term needs with their respective pros and cons; the matter is then brought forward for discussion at the next "executive session" (held without the presence of the Chairman and CEO). In 2020, it has been reviewed in the course of the year at another "executive session".

2020 Annual Shareholders' Meeting

The Board approved the agenda and draft resolutions of the 2020 Annual Shareholders' Meeting, and its report to the shareholders at the meeting. It took note of the proxy-advisors' reports and was informed of the positions expressed by the shareholders met during the preparation of the Annual Shareholders' Meeting. It approved the responses to the written questions.

Due to the health context caused by the COVID-19 crisis and given the ban of collective assembly on the date of publication of the notice, the Annual Shareholders' Meeting was held, on an exceptional basis and in pursuance of the order No. 2020-321 of March 25, 2020, without the physical attendance of shareholders and other persons entitled to attend in closed session, at the Company's headquarter. It approved all resolutions supported by the management, including those relating to the composition of the Board of Directors, the compensation of the Corporate Officers and the renewal of financial authorizations.

In application of the provisions of Article 1.C.3 of the internal regulations, the Vice-Chairman convenes executive sessions of the Board of Directors (without the Corporate Officers) at the end of each board meeting. In 2020, the Board of Directors held three "executive sessions", same as in 2019.

In addition, when the Board debated and determined the compensation of the Chairman and CEO, the interested party was not present, as prescribed by Article 10.2 of the internal regulations, unless solicited to provide information on specific issues.

1.4 Board committees (composition, operating procedures and activities)

In its internal regulations, the Board defined the functions, missions, and resources of its five study committees: the Audit & Risks Committee, the Governance & Remunerations Committee, the Human Resources & CSR Committee, the Investment Committee and the Digital Committee.

Committee members are appointed by the Board of Directors on the proposal of the Governance & Remunerations Committee. Committees may open their meetings to the other Board members.

The Vice-Chairman & Lead Independent Director may attend any meetings of committees of which he is not a member. The committees may commission research from external consultants after having consulted with the Chairman of the Board of Directors. They may invite anybody they wish to meetings, as necessary. Secretaries of the Board committees organize and prepare the work of the committees. They draft the minutes for the meetings of the committees which, after their approval, are sent to all members of the Board of Directors. The secretaries of the committees are members of Group management teams and specialists in the subject matters of each committee.

1.4.1 Audit & Risks Committee

The members, operating procedures, and responsibilities of the Audit & Risks Committee are compliant with the recommendations included in the Audit & Risks Committee final report as updated by the AMF in July 2010.

8 

meetings in 2020*

4 

members

75% 

of independent Directors

100% 

average attendance rate

Composition as of December 31, 2020

The internal regulations and procedures of the Board of Directors stipulate that the Audit & Risks Committee must have at least three members.

Two-thirds of the members must be independent and at least one must have in-depth knowledge of accounting standards combined with hands-on experience in applying current accounting standards and producing financial statements.

• Cécile Cabanis	Chairwoman	Independent
• Willy Kissling	Member	Non-independent
• Jill Lee	Member since April 23, 2020	Independent
• Fleur Pellerin	Member	Independent

As demonstrated by their career records, summarized on pages 221 *et seq.* the Audit & Risks Committee members all have recognized expertise in finance, economics, and accounting. In addition to their in-depth financial and accounting knowledge, Mrs. Cécile Cabanis also brings her extensive knowledge of the challenges of a major French group in the CAC 40, Mr. Willy Kissling his knowledge of the building industry and Schneider Electric, Mrs. Jill Lee an in-depth knowledge of the Schneider Electric's activities and of the Asian markets, and Mrs. Fleur Pellerin her economic and financial skills in the field of technologies.

Changes in the composition in 2020

- Chairpersonship: no change.
- Membership: following her appointment as a Director by the Annual General Shareholders' Meeting of April 23, 2020, Mrs. Jill Lee was appointed as a member of the committee and Mr. Fred Kindle stepped down from his office as a member of the committee following his appointment as Vice-Chairman & Lead Independent Director on April 23, 2020.

Individual attendance rate in 2020

- Cécile Cabanis **100%**
- Willy Kissling **100%**
- Jill Lee **100%**
- Fleur Pellerin **100%**

* Including the joint meetings with the Governance & Remunerations Committee on questions received by Schneider's sales teams from utility companies in the US in relation to some software offer and with the Digital Committee relating to cybersecurity risk review.

1. Governance Report

Operating procedures

- The committee meets at the initiative of its Chairperson or at the request of the Chairman and CEO.
- At least five meetings are held during the year.
- The director of Internal Audit is the secretary of the Audit & Risks Committee.
- The committee may invite any person it wishes to hear to its meetings.
- The statutory auditors attend meetings at which financial statements are reviewed and, depending on the agenda, all or some of the other meetings.
- It may also require the CEO to provide any documents it deems to be useful.
- It may also commission studies from external consultants.
- The committee presents its findings and recommendations to the Board. The chairperson of the Audit and Risks Committee keeps the Chairman and the Vice-Chairman & Lead Independent Director promptly informed of any difficulties encountered.

Responsibilities

The Audit & Risks Committee is responsible for preparing the work of the Board of Directors by making recommendations on financial, extra-financial, accounting, internal control, internal audit, compliance and risk management issues. Accordingly, its missions are as follows:

Items	Details of missions
Preparation for the annual and interim financial statements to be approved by the Board	<ul style="list-style-type: none"> • To check the appropriateness and consistency of the accounting methods used for drawing up consolidated and corporate accounts, as well as to check that significant operations on Group level have been dealt with appropriately and that rules relating to the scope of consolidation have been complied with • To examine off-balance sheet risks (including those of a social & environmental nature) and commitments as well as the cash situation • To examine the process for drawing up financial and extra-financial information • To review the Universal Registration Document as well as the reports on the interim financial statements and other main financial documents
Issues related to statutory auditors	<ul style="list-style-type: none"> • To make recommendations concerning the appointment or reappointment of the statutory auditors • To handle follow-up on legal control of consolidated and statutory accounts made by statutory auditors, notably by examining the external audit plan and results of controls made by statutory auditors • To verify the auditors' independence, in particular by reviewing fees paid by the Group to their firm and network and by giving prior approval for assignments that are not strictly included in the scope of the statutory audit
Following-up on the efficiency of internal control, risk management systems, and compliance program	<ul style="list-style-type: none"> • To examine the organization and resources used for internal audit, as well as its annual work program; to receive a quarterly summary report on the findings of the audits carried out • To review operational risks mapping and its year-on-year evolution; to ensure procedures are implemented to prevent and reduce them • To review risk mitigation and coverage optimization • To review the rollout of the Group's internal control system and to acknowledge the outcome of entities' self-assessment regarding internal control; to ensure that procedures are implemented to identify and handle anomalies • To ascertain the existence of Group compliance policies notably concerning competition, anti-bribery, ethics and data protection, and the measures implemented to ensure that these policies are circulated and applied • To report to the Board on the implementation of Schneider Electric SE's charter on related party transactions and on the relevance of the criteria to qualify related party transactions as regulated agreements or not • To examine all financial, accounting, and extra-financial questions and questions related to risk management, including those of a social and environmental nature, submitted to it by the Board of Directors

Activity in 2020

The Audit & Risks Committee reported on its work at the Board's meetings of February 19, July 28, September 1-4 and December 14, 2020.

Items	Details of missions
Financial statement and financial disclosures	<ul style="list-style-type: none"> • Review of the annual and interim financial statements and of the reports on the financial statements • Review of goodwill, the Group's tax position, provisions and pension obligations, or similar obligations • Review of investor relations' documents concerning the annual and interim financial statements • Review of the Group's scope of consolidation • Review of pension commitments

Items	Details of missions
Internal audit, internal control, risk management, and compliance	<ul style="list-style-type: none"> Review of the risk mapping Review of the 2021 audit and control missions plan Review of the main internal audits performed on compliance-related topics and internal audits performed between September and December 2019 and during H1 2020 Review of risks covered by insurance Update on the COVID-19 pandemic outbreak crisis response Status report on the assessment of the Group level business continuity plan Presentation of the principles and roadmap of the new performance management system Cybersecurity risk review (jointly with the Digital Committee) Review of the management report
Statutory auditors	<ul style="list-style-type: none"> Review of the fees paid to the statutory auditors and to their networks Review of the 2020 external audit program Selection of the new statutory auditor
Corporate governance	<ul style="list-style-type: none"> Recommended dividend for 2020 Review of the financial authorizations and proposition for their renewal by the Annual Shareholders' Meeting of April 23, 2020

1.4.2 Governance & Remunerations Committee

10 
meetings in 2020*

5 
members

60% 
of independent Directors

100% 
average attendance rate

Composition as of December 31, 2020

The Board of Directors' internal regulations and procedures provide that the Governance & Remunerations Committee must have at least three members. It is chaired by the Vice-Chairman & Lead Independent Director.	• Fred Kindle	Chairman since April 23, 2020	Independent
	• Léo Apotheker	Member	Non-independent
	• Willy Kissling	Member	Non-independent
	• Linda Knoll	Member	Independent
	• Greg Spierkel	Member	Independent

Changes in the composition in 2020

- Chairmanship: Mr. Fred Kindle was appointed as the Chairman of the Committee on April 23, 2020 as replacement for Mr. Léo Apotheker.
- Membership: no change.

Individual attendance rate in 2020

- Fred Kindle **100%**
- Léo Apotheker **100%**
- Willy Kissling **100%**
- Linda Knoll **100%**
- Greg Spierkel **100%**

Operating procedures

- The committee is chaired by the Vice-Chairman Lead Independent Director.
- The committee meets at the initiative of its Chairman or at the request of the Chairman and CEO.
- The agenda is drawn up by the Chairman, after consulting with the Chairman and CEO.
- The committee shall meet at least three times a year.
- The committee may seek advice from any person it feels will help it with its work.
- The secretary of the Board of Directors is the secretary of the Committee.

* Including the joint meetings with the Audit & Risks Committee on questions received by Schneider's sales teams from utility companies in the US in relation to some software offers and with the Human Resources & CSR Committee relating to the 2020 short-term incentive plan of the Corporate Officer.

1. Governance Report

Responsibilities

Items	Details of missions
Appointments	<ul style="list-style-type: none"> To formulate proposals to the Board of Directors in view of any appointment made: <ol style="list-style-type: none"> within the Board of Directors as a Director or Observer, Chairman of the Board of Directors, Vice-Chairman or Vice-Chairman & Lead Independent Director, chairperson, or committee member at the Company's senior management; particularly, to advise the Board on proposals for the appointment of any Corporate Officer
Compensation of Corporate Officers	<ul style="list-style-type: none"> To formulate proposals to the Board of Directors on the compensation policy of executive Corporate Officers (Chairman of the Board of Directors and/or CEO, and Deputy CEOs if any) and of the Board members To make recommendations to the Board of Directors concerning the determination of the components of the compensation due to executive Corporate Officers in accordance with the compensation policy approved by the shareholders and based on the contribution of the concerned persons to the performance of the Group
Missions aiming at reassuring both shareholders and the market that the Board of Directors carries out its duties with all necessary independence and objectivity	<ul style="list-style-type: none"> To organize for yearly assessments to be made of the Board of Directors To make proposals to the Board of Directors on: <ul style="list-style-type: none"> determining and reviewing Directors' independence criteria and Directors' qualifications with regard to these criteria missions carried out by the committees of the Board of Directors the evolution of the organization and mode of operation of the Board of Directors the application by the Company of national and international corporate governance practices the total amount of Board members' remuneration proposed to the Annual Shareholders' Meetings together with its allocation rules the compensation of the Vice-Chairman & Lead Independent Director

Activity in 2020

The Governance & Remunerations Committee reported on its work at the Board's meetings of February 19, April 22, July 28, October 21 and December 14, 2020.

Items	Details of missions
Proposals to the Board of Directors	<ul style="list-style-type: none"> Composition of the Board of Directors and its committees Status of the members of the Board with regard to independence criteria Mode of exercising the functions of Chairman and CEO Compensation of Corporate Officers (amount and structure of 2020 compensation, 2020 objectives and level of achievement of 2019 objectives) and allocation to them of performance shares as part of the Long-term incentive plan Definition of the criteria for short-term (STIP) and long-term (LTIP) compensation of Corporate Officers (jointly with the Human Resources and CSR Committee) Presentation of "Say on Pay" 2019 and the principles and criteria proposed for 2020 to the Annual Shareholders' Meeting Directors' remuneration Training program of the Directors representing the employees for 2020
Reports to the Board of Directors	<ul style="list-style-type: none"> Review of the succession plan for the Chairman and CEO Draft corporate governance report of the Board of Directors Review the Company purpose
Self-assessment of the Board of Directors	<ul style="list-style-type: none"> Leading of the formal self-assessment of the Board of Directors conducted with the assistance of an independent and external expert
Shareholder engagement	<ul style="list-style-type: none"> Reporting on the Vice-Chairman & Lead Independent Director's meetings with governance analysts within the main shareholders: 28 physical or phone meetings were held, covering about 40% of the voting rights. These meetings reflect the importance given by the Company to dialogue and the direct commitment of Directors towards shareholders (see "Report of the Vice-Chairman & Lead Independent Director of the Board of Directors", section 5, page 259)

1.4.3 Human Resources & CSR Committee

5 

meetings in 2020*

6 

members

75% 

of independent Directors**

100% 

average attendance rate

Composition as of December 31, 2020

The Board of Directors' internal regulations and procedures provide that the Human Resources & CSR Committee must have at least three members	• Linda Knoll	Chairwoman	Independent
	• Rita Felix	Member since July 28, 2020	Employee Director
	• Willy Kissling	Member	Non-independent
	• Xiaoyun Ma	Member	Employee Director
	• Fleur Pellerin	Member	Independent
	• Anders Runevad	Member	Independent

Changes in the composition in 2020

- Chairmanship: no change.
- Membership: Mrs. Rita Felix was appointed as a new member of the Committee on July 28, 2020.

Individual attendance rate in 2020

- Linda Knoll **100%**
- Rita Felix **100%**
- Willy Kissling **100%**
- Xiaoyun Ma **100%**
- Fleur Pellerin **100%**
- Anders Runevad **100%**

Operating procedures

- The committee meets at the initiative of its Chairman or at the request of the Chairman and CEO.
- The agenda is drawn up by the Chairman, after consulting with the Chairman and CEO.
- The committee shall meet at least three times a year.
- The committee may seek advice from any person it feels will help it with its work.
- The Group human resources director, Mrs. Charise Le, is the secretary of the committee.

Responsibilities

Items	Details of missions
Employee shareholding schemes and share allocation plans	<ul style="list-style-type: none"> • To formulate proposals to the Board of Directors on the implementation of employee shareholding schemes and allocation of free or Performance Shares, and on the volume of shares granted to all of the eligible Corporate Officers, including executive Corporate Officer(s)
Compensation of Group managers	<ul style="list-style-type: none"> • To formulate projects on proposals made by general management on: <ul style="list-style-type: none"> – compensation for members of the Executive Committee – principles and conditions for determining the compensation of Group executives – pay-equity ratio
Succession plan for key Group executives	<ul style="list-style-type: none"> • To examine succession plans for key Group executives • The committee shall be informed of any nomination of members of the Executive Committee and of main Group executives
Human resources & CSR policy	<ul style="list-style-type: none"> • To prepare for the Board of Directors' deliberations on: <ul style="list-style-type: none"> – employee shareholding development – reviews made by the Board on social and financial impacts of major re-organization projects and major Human Resources policies – monitoring management of risks related to human resources – examining the different aspects of the Group's CSR policy – diversity and inclusion policy, including the policy on the equal treatment of men and women

* Including the joint meetings with the Governance & Remunerations Committee relating to the 2020 short-term incentive plan of the Corporate Officer.

** Employee Directors excluded as prescribed by the AFEP-MEDEF Corporate Governance Code.

1. Governance Report

Activity in 2020

The Human Resources & CSR Committee reported on its work at the Board's meetings of February 19, October 21 and December 14, 2020.

Items	Details of missions
Proposals to the Board of Directors	<ul style="list-style-type: none"> 2020 annual Long-term incentive plan and implementation of specific Performance Share plans to support the recruitment and the retention policy Definition of the criteria for short-term (STIP) and long-term (LTIP) compensation of top managers and executive Corporate Officers (jointly with the Governance & Remunerations Committee)
Reports to the Board of Directors	<ul style="list-style-type: none"> Review of the compensation, performance, and succession plans of Executive Committee members 2021 Long-term incentive plan Review of equal opportunity, gender pay equity, and diversity & inclusion policy Review of the CSR strategy and performance and of the Group's positioning vs. its peers

1.4.4 Investment Committee

5 

meetings in 2020

7 

members

80% 

of independent Directors*

100% 

average attendance rate

Composition as of December 31, 2020

The Board of Directors' internal regulations and procedures provide that the Investment Committee must have at least three members.	• Léo Apotheker	Chairman since April 23, 2020	Non-independent
	• Fred Kindle	Member	Independent
	• Xiaoyun Ma	Member	Employee Director
	• Patrick Montier	Member	Employee Director
	• Anders Runevad	Member	Independent
	• Greg Spierkel	Member	Independent
	• Lip-Bu Tan	Member	Independent

Changes in the composition in 2020

- Chairmanship: Mr. Léo Apotheker was appointed as the Chairman of the Committee on April 23, 2020 in replacement of Mr. Fred Kindle.
- Membership: Mr. Léo Apotheker was appointed as a member of the Committee on April 23, 2020.

Individual attendance rate in 2020

- Léo Apotheker **100%**
- Fred Kindle **100%**
- Xiaoyun Ma **100%**
- Patrick Montier **100%**
- Anders Runevad **100%**
- Greg Spierkel **100%**
- Lip-Bu Tan **100%**

Operating procedures

- The committee meets at the initiative of its Chairman or at the request of the Chairman and CEO.
- The agenda is drawn up by the Chairman, after consulting with the Chairman and CEO.
- The committee shall meet three times a year, less or more depending on the circumstances.
- In order to carry out its assignments, the committee may hear any person it wishes and call upon the strategy director.
- The strategy director, Mr. Olivier Blum, is the secretary of the committee.

* Employee Directors excluded as prescribed by the AFEP-MEDEF Corporate Governance Code.

Responsibilities

Items	Details of missions
Preparation of the Board of Directors' deliberations on investment policy	<ul style="list-style-type: none"> • The committee: <ul style="list-style-type: none"> – Elaborates recommendations for the Board on major capital deployment decisions – Advises the management team on capital deployment strategies – Launches, at the Board's request, or suggests research projects leading to material investments for the Company, typically for capital deployment decisions of €250 million or above – Investigates matters of smaller scale, if the strategic significance warrants it or the Board/Chairman of the Board specifically requires it – Provides recommendations on major merger, alliances, and acquisition projects – Pays special attention to reconfiguration or consolidation scenarios happening in the sectors the Company is operating in or likely to operate in – Examines portfolio optimizations and divestment projects of financial or strategic significance – Supports the management in the elaboration of investment policies linked to the long-term positioning of Schneider Electric, such as innovation and R&D strategies or any major organic growth investments – Presents to the Board, social and environmental aspects of the strategic projects submitted to it such as M&A projects

Activity in 2020

The Investment Committee reported on its work at the Board's meetings of February 19, May 26, July 28, October 21 and December 14, 2020 and during the Strategy Session.

Items	Details of missions
Proposals to the Board of Directors	<ul style="list-style-type: none"> • Follow-up of investment projects and opportunities • Competitive landscape • Update on software consolidation strategy in Energy Management • Portfolio review

1.4.5 Digital Committee

4 

meetings in 2020*

4 

members

75% 

of independent Directors**

100% 

average attendance rate

Composition as of December 31, 2020

The Board of Directors' internal regulations and procedures provide that the Digital Committee must have at least three members.	• Greg Spierkel	Chairman	Independent
	• Léo Apotheker	Member	Non-independent
	• Fleur Pellerin	Member	Independent
	• Lip-Bu Tan	Member	Independent

Changes in the composition in 2020

- Chairmanship: no change.
- Membership: no change.

Individual attendance rate in 2020

- Greg Spierkel **100%**
- Léo Apotheker **100%**
- Fleur Pellerin **100%**
- Lip-Bu Tan **100%**

* Including the joint meeting with the Audit and Risks Committee relating to cybersecurity risk review.

** Employee Directors excluded as prescribed by the AFEP-MEDEF Corporate Governance Code.

1. Governance Report

Operating procedures

- The committee meets at the initiative of its Chairman or at the request of the Chairman and CEO.
- The agenda is drawn up by the Chairman, after consulting with the Chairman and CEO.
- The committee shall meet at least three times a year, including the joint review of cybersecurity risks with the Audit and Risks Committee.
- In order to carry out its assignments, the committee may hear any person it wishes.
- The Chief Digital Officer, Mr. Peter Weckesser, is the secretary of the committee.

Responsibilities

Purpose	Details of missions
<ul style="list-style-type: none"> • To assist the Board in digital matters in order to guide, support and control the Group in its digitization efforts • To prepare the Board of Directors' deliberations on digital matters 	<ul style="list-style-type: none"> • For this purpose, the Digital Committee will review, appraise, and follow-up projects and, generally, advise, <i>inter alia</i> on seven areas: <ul style="list-style-type: none"> – Development and growth of the EcoStruxure™ digital business, including (i) enhancing Core Businesses with Connectivity & Analytics, (ii) building new digital offers and business models, and (iii) establishing its contribution to and consistency with the overall strategy – Improvement and transformation of the Group's Digital Customers & Partners Experience; – Improvement of Schneider Electric's Operational Efficiency through the effective use of Information Technology and digital automation capabilities; – Assessment of cyber risks and enhancement of the Group's cybersecurity posture (jointly with the Audit & Risks Committee); – Assessment of the contribution of potential M&A operations to the Group's Digital strategy; – Monitoring and analysis of the digital landscape (competitors and disrupters, threats, and opportunities); – Ensuring that the Company is equipped with the right pool of talents for digital transformation.

Activity in 2020

The Digital Committee reported on its work at the Board's meetings of February 19, July 28, September 1-4 and December 14, 2020.

Purpose	Details of missions
Proposals and reports to the Board of Directors	<ul style="list-style-type: none"> • EcoStruxure™ strategy • Overview of the digital performance • Update on digital customer experience • Update on digital supply chain • Joint review with the Audit and Risks Committee of the cybersecurity risks • General update on Schneider Digital • Digital Offer and Ecostruxure growth roadmap

1.5 Report of the Vice-Chairman & Lead Independent Director of the Board of Directors

Mr. Fred Kindle hereby reports on the work he carried out in 2020 as part of his responsibilities as Vice-Chairman & Lead Independent Director. He was appointed as Vice-Chairman on April 23, 2020 in replacement of Mr. Léo Apotheker who lost his status of independent Director due the length of his tenure to the Board. In order to ensure a smooth transition between him and Mr. Fred Kindle, most of the engagement meetings held with shareholders in March ahead of the Annual General Meeting were done jointly by the former and the new Vice-Chairman & Lead Independent Director.

The Vice-Chairman & Lead Independent Director is appointed by the Board of Directors in pursuance of Article 12 of the Articles of Association, which provide for the appointment of a Vice-Chairman with the function of a Lead Independent Director if the roles of Chairman and CEO are combined. In compliance with Article 12 of the Articles of Association, the duties of the Vice-Chairman & Lead Independent Director are defined by the internal regulations of the Board of Directors. Those internal regulations and the charter for the Vice-Chairman & Lead Independent Director can be found on section 1.2.3 of Chapter 3 of this Universal Registration Document.

Information of the Vice-Chairman & Lead Independent Director

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

As such, the Vice-Chairman is apprised of current events and the performance of the Group through weekly exchanges with the Chairman and CEO. He meets regularly all members of the Group Executive Committee and pursues regular interactions with managers and other employees of the Group in various sites of Schneider Electric.

He is continuously kept informed of the evolution of the competitive environment, technological breakthroughs and business opportunities. Besides he is also the Chairman of the Governance & Remunerations Committee and a member of the Investment Committee.

Participation in the preparation of the meetings of the Board

The Vice-Chairman & Lead Independent Director participated in the preparation for meetings of the Board of Directors. As a result, he has participated in all the "pre-Board" meetings. As a matter of fact, each meeting of the Board of Directors is preceded by one or two pre-Board meetings, in which the Chairman, the Vice-Chairman & Lead Independent Director, the Chief Financial Officer, the Secretary General and the Board Secretary review the topics and issues addressed by the committees, and establish the agenda prepared by the Chairman and the content of the meeting file.

Executive sessions

The Vice-Chairman & Lead Independent Director chairs the executive sessions (*i.e.* the meetings where Board members meet without the presence of the Corporate Officer), convened at the end of each Board meeting. The employee Directors are invited to attend all executive sessions following meetings of the Board at which they are present.

The Board of Directors held three executive sessions in 2020 during which its members expressed their views and observations on, among others, the Group's strategic options and the succession planning of the Corporate Officer. The Vice-Chairman & Lead Independent Director reported the conclusions thereof to the Chairman.

Interaction with shareholders

The Vice-Chairman & Lead Independent Director is the designated contact for the shareholders on matters pertaining to corporate governance. He carried out two shareholder engagement campaigns in 2020: one before the Shareholders' Meeting to present to those who so wished, the resolutions submitted to the shareholders' approval; the other one, in the fall semester, to freely exchange views on topical themes of corporate governance that do not materialize in resolutions submitted to the shareholders' approval and thus, are excluded from the usual dialog. On this occasion, the Vice-Chairman & Lead Independent Director explained to the investors' representatives the growing importance of social and environmental topics at the Board of Directors and their reflection in the Corporate Officers' compensation. Overall, these two campaigns comprised 28 face-to-face or phone meetings with analysts from a wide range of corporate governance cultures and covered around 40% of the share capital. The conclusions of these discussions have been reported in detail to the Governance & Remunerations Committee and contributed to its on-going thought process on governance matters. Report thereon was subsequently made to the Board.

Other duties

The Vice-Chairman & Lead Independent Director conducted the annual deliberation of the Board on its composition, organization and operations as well as those of its committees. In 2020, this self-assessment was carried out by an external independent firm. The conclusions of this assessment, which highlighted the quest for continuous improvement, are presented on section 1.2.6 of this Universal Registration Document.

The Vice-Chairman & Lead Independent Director has also had frequent contacts with each of the Directors. He ensured that there was no conflict of interest within the Board of Directors, which he would have been responsible for bringing to the attention of the Chairman.

1. Governance Report

1.6 Senior management

The senior management of Schneider Electric SE consists of the Chairman and Chief executive officer supported by the Executive Committee.

The Chairman and Chief executive officer

Mr. Jean-Pascal Tricoire is Chairman and Chief executive officer.

Extent and limitations of the powers of the Chairman and Chief executive officer

The Chairman and Chief executive officer represents the Company in its dealings with third parties. He is vested with the broadest authority to act in any and all circumstances in the name and on behalf of the Company. He exercises this authority within the limits of the corporate purpose, except for those matters that are reserved by law expressly to the Annual Shareholders' Meetings or the Board of Directors. In addition, the internal regulations of the Board of Directors provide that the Chairman and Chief executive officer must submit for approval to the board any acquisition transactions or disposal of assets amounting to more than €250 million as well as any strategic partnership agreement (see section 1.2.2 of Chapter 3 of this Universal Registration Document).

The Executive Committee

The operational organization of the senior management of the Group is supported by the Executive Committee, which is chaired by the Chairman and Chief executive officer. The Executive Committee meets every month to analyze and evaluate the financial performance of the Group's various businesses compared with the budget, strategic developments, and major events affecting the Group.

As of the date hereof, the Executive Committee comprises of the 16 following members. As per its Diversity & Inclusion policy, Schneider Electric pay a lot of attention to the composition of its Executive Committee to ensure a diversity of culture and gender in particular. Thus, 6 nationalities from 3 continents are part of the Executive Committee. According to the objective set in 2020 to comprise at least 30% of women, the Executive Committee's composition was reviewed in February 2020 and now includes 38% of women (vs. 27% previously).

Name of Executive Committee Member	Gender	Age	Nationality	Responsibility
Jean-Pascal Tricoire	M	57	French	Chairman & Chief executive officer
Olivier Blum	M	50	French	Chief Strategy & Sustainability Officer
Annette Clayton	W	57	American	Executive Vice-President North America Operations
Hervé Coureil	M	50	French	Chief Governance Officer & Secretary General
Philippe Delorme	M	50	French	Executive Vice-President Energy Management
Barbara Frei	W	50	Swiss	Executive Vice-President CEO Europe Operations
Peter Herweck	M	54	German	Executive Vice-President Industrial Automation
Christel Heydemann	W	46	French	Executive Vice-President France Operations
Emmanuel Lagarrigue	M	51	French	Chief Innovation Officer
Charise Le	W	48	Chinese	Chief Human Resources Officer
Chris Leong	W	53	Malaysian	Chief Marketing Officer
Hilary Maxson	W	43	American	Chief Financial Officer
Luc Rémont	M	51	French	Executive Vice-President International Operations
Mourad Tamoud	M	49	French	Executive Vice-President Global Supply Chain
Peter Weckesser	M	52	German	Executive Vice-President Chief Digital Officer
Zheng Yin	M	49	Chinese	Executive Vice-President China Operations

The Top Pulse and Business Pulse communities

The Top Pulse Community and Business Pulse communities includes the Executive Committee Members and approximately 200 and 1,000 leaders of Schneider Electric's main functions and business operations respectively. Its responsibilities are to ensure cascading of the Group's objectives, help ensure rapid, responsive decision-making as well as smooth, efficient implementation of such decisions. The Top Pulse and the Business Pulse communities met digitally 6 times in total in 2020 to exchange on those matters.

1.7 Regulated agreements and commitments

1.7.1 Review of the Regulated Agreements and Commitments entered into by Schneider Electric SE

Agreements and commitments of the 2020 financial year to be approved at the 2021 Annual Shareholders' Meeting

None.

Agreements and commitments already approved at the Annual Shareholders' Meeting

Regulated Agreements and Commitments related to the Corporate Officers' status (Mr. Jean-Pascal Tricoire)

The severance indemnity and all commitments linked to an eventual departure of Corporate officer that were previously submitted to the regime of the regulated agreement according to article L. 225-42-1 of the French Commercial Code, are now approved in the framework of the compensation policy (see under pages 282 *et seq.* of this Universal Registration Document).

Regulated Agreements and Commitments related to the departure of Mr. Emmanuel Babeau

Schneider Electric executed on March 2, 2020 a specific regulated agreement, authorized by the Board of Directors on February 28, 2020, governing the conditions of the departure of Mr. Emmanuel Babeau, Deputy CEO, whose departure occurred on April 30, 2020.

The Board of Directors wanted to acknowledge Mr. Babeau's contribution for the 2020 financial year and the assistance he provided to ensure a smooth transition in the best conditions. It also felt it necessary to strengthen Mr. Babeau's post-mandate commitments in terms of non-compete and other restrictive covenants, which Mr. Babeau accepted.

The agreement provided for the following:

- Base salary for 2020 due on monthly instalments as per the 2019 policy providing for an annual amount of €680,000, representing an aggregate amount at the date of departure of €226,667;
- Annual incentive for 2020 awarded at the target level, *ie.* 100% of the base salary, and calculated *pro rata temporis* over the time of presence, representing therefore an accrued amount at the date of departure of €226,667;
- Corresponding complementary payments for pension building to be paid or awarded as per the 2019 policy in the same manner as the base salary and the annual incentive, representing therefore €51,100 for the fixed portion (based on an annual amount of €153,300) and €51,100 for the variable portion;
- Non-compete commitment replaced with a fresh one, with a scope extended, notably, to companies from the technology and engineering sectors and a term prolonged to two years (vs. 12 months previously);
- Restrictive covenants of non-solicitation, non-disparagement, confidentiality and cooperation in the context of legal or administrative proceedings involving the company, for a term of 2 years after the date of departure;
- Payment of non-compete indemnity at 60% of the total effective target cash compensation waived by Mr. Babeau;
- By way of derogation, waiver of the presence condition applicable to the unvested Performance Shares granted to Mr. Babeau in 2018 and 2019, which gives him the right to retain such unvested Performance Shares in proportion to his time of presence within the Group over the total vesting period of the plans. This corresponds to 18,056 Performance Shares granted in 2018 and 9,389 Performance Shares granted in 2019, which remain subject to the original performance conditions and other terms of the plans;

- Legal and tax support until the completion of the study relating to the consequences of him being based in the United-Kingdom from July 2014 to July 2018, the cost of which is capped at 15,000 euros.

This agreement was approved by the Annual Shareholders' Meeting of 23 April 2020 under the 5th resolution.

1.7.2 Procedure for assessing agreements relating to ordinary business operations concluded under normal conditions

The Board of Directors, at its meeting of December 11, 2019, established a procedure for regularly assessing whether agreements relating to ordinary business operations concluded under normal conditions meet these conditions. Any persons directly or indirectly concerned by any of these agreements shall not participate in its assessment.

The procedure is comprised of two phases:

- the assessment of the application of Schneider Electric SE's internal charter for regulated agreements approved by the Board of Directors on February 19, 2020, which results in an annual business report drawn up jointly by the legal department and the secretary of the board. This report is made available to the Audit & Risks Committee for preparing the evaluation report it draws up for the Board of Directors;
- the assessment by the Board of Directors of criteria for qualifying agreements relating to ordinary business operations concluded under normal conditions which deliberates on the basis of the above-mentioned assessment report drawn up by the Audit & Risks Committee.

According to this procedure, the Governance & Remunerations Committee reviewed at its meeting of December 10, 2020, the relevance of criteria for qualifying agreements relating to ordinary business operations concluded under normal conditions as defined by the procedure and decided not to amend it.

1. Governance Report

1.7.3 Statutory auditors' report on related party agreements

To the Shareholders,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*) of the continuation of the implementation, during the year, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

Agreements submitted for approval to the Annual General Meeting

We hereby inform you that we have not been notified of any agreements authorized during the year to be submitted to the Annual General Meeting for approval in accordance with Article R. 225-38 of the French Commercial Code (*Code de commerce*).

Agreements previously approved by the Annual General Meeting

Agreements approved in prior years

We hereby inform you that we have not been notified of any agreements previously approved by the Annual General Meeting, whose implementation continued during the year.

Agreements approved during the year

In addition, we have been notified of the implementation during the year of the following agreement which was approved by the Annual General Meeting of April 23, 2020 based on the statutory auditors' report on related party agreements dated March 10, 2020.

With Mr. Emmanuel Babeau (Deputy Chief Executive Officer in charge of Finance and Legal Affairs until his departure from the Group on April 30, 2020)

As part of his departure from the Schneider Electric group, Mr. Emmanuel Babeau benefited from a related party commitment setting out the terms and conditions for the termination of his duties, whose effects were as follows:

- **Fixed compensation for fiscal year 2020**

The amount of the fixed annual compensation of the Deputy Chief Executive Officer remained unchanged at 680,000 euros for fiscal year 2020. The fixed compensation paid to Mr. Emmanuel Babeau has been calculated prorata temporis until the term of his duties as Deputy Chief Executive Officer.

He has thus received 212,500 euros until April 30, 2020 as a fixed compensation, after waiving part of his compensation for the month of April 2020 in accordance with the decision of the Board of Directors held on April 6, 2020.

- **Variable compensation for fiscal year 2020**

The target level of 680,000 euros, corresponding to 100 % of the fixed compensation, has been granted to Mr. Emmanuel Babeau for fiscal year 2020. The variable compensation paid to Mr. Emmanuel Babeau has been calculated prorata temporis until the term of his duties as Deputy Chief Executive Officer.

He has thus received 226,667 euros until April 30, 2020 as a variable compensation.

- **Additional pension payments (cash benefit)**

Mr. Emmanuel Babeau has received the following amounts in respect of additional pension payments for 2020, calculated prorata temporis until the term of his duties as Deputy Chief executive Officer:

- a fixed part of 51,100 euros (calculated on an annual basis of 153,300 euros); and
- a variable part of 51,100 euros (calculated on an annual basis of 153,300 euros).

- **Application of a new non-compete agreement and of additional commitments**

With respect to his non-compete agreement and his other commitments in the context of his departure (non-solicitation, non-disparagement, confidentiality and cooperation in judicial or administrative proceedings involving the company) for a period of two years, Mr. Emmanuel Babeau retains, after applying the performance conditions related to the 2018 share plans, the benefit of a maximum of 27,117 performance shares as of December 31, 2020:

- 17,728 performance shares granted in 2018 which will be deemed vested on March 26, 2021, subject to the Deputy Chief Executive Officer's compliance with his commitments until that date; and
- a maximum of 9,389 performance shares granted in 2019 which will be deemed vested on March 28, 2022, subject to the Deputy Chief Executive Officer's compliance with his commitments until that date.

The final number of performance shares likely to be acquired by Mr. Emmanuel Babeau will be known at the end of the respective acquisition periods, subject to his continuous compliance with his commitments and, with respect to the shares granted in 2019, to the Board of Directors' decision on the achievement rate of the applicable performance conditions.

It is specified that the performance shares likely to be acquired by Mr. Emmanuel Babeau represent an individual value of 54.69 euros per performance share granted in 2018 and 53.84 euros per performance share granted in 2019.

The valuation of the performance shares was calculated in accordance with the Company's past practices and in accordance with the recommendations of the Afep-Medef Code. This valuation represents a total amount of 1,474,948.56 euros (969,454.19 euros for the preference shares granted in 2018 and 505,494.37 euros for the preference shares granted in 2019).

- **Legal and tax assistance**

Mr. Emmanuel Babeau benefits from legal and tax assistance until the completion of the study on the consequences of his expatriation to the United Kingdom from July 2014 to July 2018 for the purposes of the integration of Invensys Ltd. The maximum cost of this benefit is estimated at 15,000 euros.

The compensation allocated or paid to Mr. Emmanuel Babeau in connection with the termination of his duties as Deputy Chief Executive Officer of the Company represents a maximum amount of 2,031,315.56 euros as of December 31, 2020.

Signed in Courbevoie and Paris-La Défense on March 10, 2021

The Statutory Auditors
French original signed by

MAZARS	ERNST & YOUNG et Autres
Loïc Wallaert	Jean-Yves Jégourel
Mathieu Mougard	Alexandre Resten