



## SCHNEIDER ELECTRIC SE

**Euro 7,500,000,000**

### **Euro Medium Term Note Programme**

### **Due from seven days from the date of original issue**

*Under the Euro Medium Term Note Programme (the "Programme") described in this base prospectus (the "Base Prospectus"), Schneider Electric SE (the "Company" or the "Issuer"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro medium term notes (the "Notes"). The aggregate nominal amount of Notes outstanding will not at any time exceed Euro 7,500,000,000 (or the equivalent in other currencies).*

*This Base Prospectus supersedes and replaces the Base Prospectus dated 15 July 2014.*

*Application has been made for approval of this Base Prospectus to the Autorité des marchés financiers (the "AMF") in France in its capacity as competent authority pursuant to Article 212-2 of its Règlement Général which implements Directive 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading, as amended (the "Prospectus Directive").*

*Application has been made to Euronext Paris for Notes issued under the Programme during a period of 12 months from the date of this Base Prospectus to be admitted to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC, as amended (a "Regulated Market"). Application may also be made to the competent authority of any other Member State of the EEA for Notes issued under the Programme to be admitted to trading on any other Regulated Market in such Member State. However, Notes may be issued pursuant to the Programme which are not admitted to trading on a Regulated Market. The relevant final terms (the "Final Terms") (forms of which are contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be admitted to trading, and, if so, the relevant Regulated Market in the EEA on which they would be admitted to trading. Notes issued under the Programme will be governed by French law and may be issued either in dematerialised form ("Dematerialised Notes") or in materialised form ("Materialised Notes") as more fully described herein. Dematerialised Notes will at all times be in book-entry form in compliance with Articles L.211-3 and R.211-1 of the French Code monétaire et financier. No physical documents of title will be issued in respect of the Dematerialised Notes.*

*Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms, save that the minimum denomination of each Note offered to the public and/or admitted to trading on a Regulated Market in a Member State of the EEA in circumstances which require the publication of a Base Prospectus under the Prospectus Directive will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant specified currency.*

*Dematerialised Notes may, at the option of the Issuer, be (a) in bearer dematerialised form (au porteur) inscribed as from the issue date in the books of Euroclear France ("Euroclear France") (acting as central depository) which shall credit the accounts of Account Holders (as defined in "Terms and Conditions of the Notes - Form, Denomination and Title") including Euroclear Bank S.A./N.V. ("Euroclear") and the depository bank for Clearstream Banking, société anonyme ("Clearstream, Luxembourg") or (b) in registered dematerialised form (au nominatif) and, in such latter case, at the option of the relevant Noteholder (as defined in Condition 1(c)(iv)), in either fully registered form (au nominatif pur), in which case they will be inscribed with the registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (au nominatif administré) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.*

*Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "Temporary Global Certificate") will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will be exchanged for definitive Materialised Notes in bearer form with, where applicable, coupons for interest attached on or after a date expected to be on or about the 40<sup>th</sup> day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificates issued in respect of Materialised Notes") upon certification as to non-US beneficial ownership as more fully described herein.*

*Temporary Global Certificates will (a) in the case of a Tranche (as defined in "Summary" below) intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository on behalf of Euroclear and Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer(s) (as defined below).*

*The final terms of the relevant Notes will be determined at the time of the offering of each Tranche and will be set out in the relevant Final Terms.*

*As of the date of this Base Prospectus, the long-term corporate rating of the Issuer by Standard & Poor's Ratings Services ("S&P") is A-. Tranches of Notes issued under the Programme may be rated or unrated. The credit ratings included or referred to in this Base Prospectus or in any Final Terms have been or will be, as the case may be, issued by one or more credit rating agencies established in the European Union, registered under Regulation (EC) No. 1060/2009 on credit rating agencies (the "CRA Regulation"), as amended, and included in the list of credit agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority ([www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)) as of the date of this Base Prospectus). The relevant Final Terms will specify whether or not credit ratings are issued by a credit rating agency.*

*A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.*

*Prospective investors should have regard to the risk factors described under the section headed "Risk Factors" in this Base Prospectus, before deciding to invest in the Notes issued under the Programme.*

**Arranger for the Programme**  
**BNP PARIBAS**

#### **Dealers**

**BARCLAYS**

**BNP PARIBAS**

**CRÉDIT AGRICOLE CIB**

**DEUTSCHE BANK**

**NATIXIS**

**SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING**

**THE ROYAL BANK OF SCOTLAND**

This Base Prospectus (together with any Supplements hereto (each a “**Supplement**” and together the “**Supplements**”) comprises a Base Prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purposes of giving information with regard to the Issuer, the Issuer and its subsidiaries taken as a whole (the “**Group**”) and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

This Base Prospectus is to be read in conjunction with any document and/or information which is or may be incorporated herein by reference in accordance with Article 11 of the Prospectus Directive.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” below).

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (each as defined in “**Summary**”). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities commission or regulatory authority of any state or other jurisdiction of the United States and include Materialised Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or, in the case of Materialised Notes in bearer form, delivered within the United States or its possessions or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see “Subscription and Sale”.

This Base Prospectus does not constitute an offer of, an offer to sell, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

The Arranger and the Dealers have not separately verified the information contained in this Base Prospectus. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

In connection with the issue of any Tranche, one of the Dealers may act as a stabilising manager (the “**Stabilising Manager**”). The identity of such Stabilising Manager will be disclosed in the relevant Final Terms.

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or person(s) acting on behalf of a Stabilising Manager) will undertake any stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the Final Terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of Stabilising Manager(s)) in accordance with all applicable laws and rules.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “**€**” “**EURO**” or “**Euro**” are to the single currency of the participating Member States of the European Union, references to “**CHF**” or “**Swiss Francs**” are to the lawful currency of the Swiss Confederation, references to “**U.S. dollars**” or “**USD**” are to the lawful currency of the United States of America, references to “**Yen**”, “**JPY**” or “**Japanese Yen**” are to the lawful currency of Japan, references to “**£**”, “**pounds sterling**” or “**Sterling**” are to the lawful currency of the United Kingdom, and references to “**Yuan**”, “**RMB**”, “**CNY**” or “**Renminbi**” are to the Chinese Yuan Renminbi, the lawful currency of the People’s Republic of China, which, for the purpose of this document, excludes the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan (the “**PRC**”). References in this Base Prospectus to “**day**” or “**days**” are to a calendar day or to calendar days, respectively.

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## SUMMARY

Summaries are made up of disclosure requirements known as “Elements” the communication of which is required by Annex XXII of Regulation (EC) No 809/2004 of 29 April 2004 as amended. These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and for Schneider Electric S.E. (the “**Issuer**”). Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding such Element. In this case a short description of the Element is included in the summary and marked as “Not applicable”.

This summary is provided for purposes of the issue by the Issuer of Notes of a denomination of less than Euro 100,000 which are offered to the public and/or admitted to trading on a Regulated Market of the European Economic Area (the “**EEA**”). The issue specific summary relating to this type of Notes will be annexed to the relevant Final Terms and will comprise (i) the information below with respect to the summary of the Base Prospectus and (ii) the information below included in the items « issue specific summary ».

<b>Section A - Introduction and warnings</b>		
<b>A.1</b>	<b>General disclaimer regarding the summary</b>	This summary must be read as an introduction to the Base Prospectus. Any decision to invest in the Notes should be based on a consideration by any investor of the Base Prospectus as a whole, including any documents incorporated by reference and any supplement from time to time. Where a claim relating to information contained in the Base Prospectus is brought before a court, the plaintiff may, under the national legislation of the Member State of the EEA where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.
<b>A.2</b>	<b>Information regarding consent by the Issuer to the use of the Prospectus</b>	In the context of any offer of Notes in France and in the Grand Duchy of Luxembourg (the “ <b>Public Offer Jurisdictions</b> ”) that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended, (a “ <b>Public Offer</b> ”), the Issuer consents to the use of the Base Prospectus and the relevant Final Terms (together with the Base Prospectus, the “ <b>Prospectus</b> ”) in connection with a Public Offer of any Notes during the offer period specified in the relevant Final Terms (the “ <b>Offer Period</b> ”) and in the Public Offer Jurisdiction(s) specified in the relevant Final Terms by any financial intermediary duly authorised designated in such Final Terms (each an “ <b>Authorised Offeror</b> ”). The consent referred to above relates to Offer Periods (if any) ending no later than the date falling 12 months from the date of the approval of the Base Prospectus by the <i>Autorité des marchés financiers</i> .

		<p><b>The specific terms of the Public Offer shall be provided to investors by that Authorised Offeror at the time of the Public Offer. Neither the Issuer nor any of the Dealers (as defined below) or other Authorised Offerors has any responsibility or liability for such information.</b></p> <p>References in the Base Prospectus to “<b>Permanent Dealers</b>” are to the persons listed as Dealers (as defined below) and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to “<b>Dealers</b>” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p>
		<p><b>Issue specific Summary:</b></p> <p>[In the context of the offer of the Notes in [●] (“<b>Public Offer Jurisdiction[s]</b>”) which is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended (the “<b>Public Offer</b>”), the Issuer consents to the use of the Prospectus in connection with such Public Offer of any Notes during the period from [●] until [●] (the “<b>Offer Period</b>”) and in the Public Offer Jurisdiction[s] by [●] / [any financial intermediary] (the “<b>Authorised Offeror[s]</b>”). [The Authorised Offeror[s] must satisfy the following conditions: [●]]]</p> <p><b>The specific terms of the Public Offer shall be provided to Investors by that Authorised Offeror at the time of the Public Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.)/</b></p> <p>[Not applicable]]</p>

<b>Section B – Issuer</b>		
<b>B.1</b>	<b>Legal and commercial name of the Issuer</b>	SCHNEIDER ELECTRIC SE (the “ <b>Company</b> ,” the “ <b>Issuer</b> ,” or “ <b>Schneider Electric</b> ” and, together with its consolidated subsidiaries, the “ <b>Group</b> ”).
<b>B.2</b>	<b>Domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation</b>	<p>Schneider Electric SE is a company, incorporated in France as a <i>société européenne</i>, registered with the registrar of companies of Nanterre (<i>Registre du commerce et des sociétés</i>) under No. 542 048 574. Its head office is located at 35, rue Joseph Monier, 92500 Rueil-Malmaison, France.</p> <p>In addition to France, which is its country of incorporation, the Issuer operates in more than a hundred countries and its activities are therefore subject to French legislation and the legislation of these countries.</p>
<b>B.4b</b>	<b>Description of any known trends affecting the Issuer and the industries in which it operates</b>	Recent trends indicate that North America should continue to grow, while Western Europe could show signs of stabilization. New Economies will show a mixed picture: India should accelerate while Russia will face a difficult environment. China is expected to have a soft start of the year and should gradually improve during the year. Invensys impact on margin is expected to continue to contribute to the Group performance.

<b>B.5</b>	<b>A description of the Issuer's group and the Issuer's position within the group</b>	<p>The Issuer is the holding company of the Group.</p> <p>The Group offers integrated products, and solutions (systems, software, services) in order to make energy, safe, reliable, efficient, productive and green.</p> <p>As a global specialist in energy management, with operation in over 100 countries, the Group enjoys leadership in the five markets on which it operates: Non-residential buildings, Utilities &amp; Infrastructures, Industries &amp; Machine manufacturers, Data Centres and Residential Buildings.</p>																																																																					
<b>B.9</b>	<b>Profit forecast or estimate</b>	Not applicable.																																																																					
<b>B.10</b>	<b>Qualifications in the auditors' report</b>	Not applicable.																																																																					
<b>B.12</b>	<b>Selected historical key financial information</b>	<p>The selected historical consolidated financial data presented below has been derived from Schneider Electric's consolidated financial statements and related notes for the years ended 31 December 2014 and 2013 in accordance with IFRS.</p> <table border="1" data-bbox="520 840 1409 1512"> <tr> <td data-bbox="520 840 1042 918">In € million, except data per share and other data</td> <td data-bbox="1050 840 1233 918">31/12/2014</td> <td data-bbox="1241 840 1409 918">31/12/2013<sup>(1)</sup></td> </tr> <tr> <td colspan="3" data-bbox="520 929 1409 974"><b>Consolidated Income Statement</b></td> </tr> <tr> <td data-bbox="520 981 1042 1014">Revenue</td> <td data-bbox="1050 981 1233 1014">24,939</td> <td data-bbox="1241 981 1409 1014">23,392</td> </tr> <tr> <td data-bbox="520 1025 1042 1059">Net Profit – Group Share</td> <td data-bbox="1050 1025 1233 1059">1,941</td> <td data-bbox="1241 1025 1409 1059">1,888</td> </tr> <tr> <td colspan="3" data-bbox="520 1070 1409 1115">Net Income per Share:</td> </tr> <tr> <td data-bbox="520 1126 1042 1160">Basic</td> <td data-bbox="1050 1126 1233 1160">3.39</td> <td data-bbox="1241 1126 1409 1160">3.43</td> </tr> <tr> <td data-bbox="520 1171 1042 1205">Diluted</td> <td data-bbox="1050 1171 1233 1205">3.37</td> <td data-bbox="1241 1171 1409 1205">3.40</td> </tr> <tr> <td colspan="3" data-bbox="520 1216 1409 1261"><b>Consolidated Balance Sheet</b></td> </tr> <tr> <td data-bbox="520 1272 1042 1305">Total Assets</td> <td data-bbox="1050 1272 1233 1305">41,158</td> <td data-bbox="1241 1272 1409 1305">37,349</td> </tr> <tr> <td data-bbox="520 1317 1042 1350">Equity attributable to owners of the Company</td> <td data-bbox="1050 1317 1233 1350">19,732</td> <td data-bbox="1241 1317 1409 1350">17,211</td> </tr> <tr> <td colspan="3" data-bbox="520 1361 1409 1406"><b>Other Data</b></td> </tr> <tr> <td data-bbox="520 1417 1042 1451">Number of Outstanding Shares</td> <td data-bbox="1050 1417 1233 1451">584,691,142</td> <td data-bbox="1241 1417 1409 1451">561,958,023</td> </tr> <tr> <td data-bbox="520 1462 1042 1496">Dividend per Share</td> <td data-bbox="1050 1462 1233 1496">1.92</td> <td data-bbox="1241 1462 1409 1496">1.87</td> </tr> </table> <p data-bbox="520 1518 1409 1552"><sup>(1)</sup> The financial information for the year ended 31 December 2013 was restated</p> <table border="1" data-bbox="520 1608 1409 1960"> <tr> <td colspan="4" data-bbox="520 1608 1409 1653"><b>FIRST HALF 2015 KEY RESULTS</b></td> </tr> <tr> <td data-bbox="520 1664 850 1697"><b>€ million</b></td> <td data-bbox="858 1664 1042 1697"><b>2014 HY</b></td> <td data-bbox="1050 1664 1233 1697"><b>2015 HY</b></td> <td data-bbox="1241 1664 1409 1697"><b>Change</b></td> </tr> <tr> <td data-bbox="520 1709 850 1742"><b>Gross Profit</b></td> <td data-bbox="858 1709 1042 1742"><b>4,457</b></td> <td data-bbox="1050 1709 1233 1742"><b>4,752</b></td> <td data-bbox="1241 1709 1409 1742"><b>+7%</b></td> </tr> <tr> <td data-bbox="520 1753 850 1787"><b>Support Function Costs</b></td> <td data-bbox="858 1753 1042 1787"><b>(2,953)</b></td> <td data-bbox="1050 1753 1233 1787"><b>(3,151)</b></td> <td data-bbox="1241 1753 1409 1787"><b>+7%</b></td> </tr> <tr> <td data-bbox="520 1798 850 1832"><b>Adjusted EBITA</b></td> <td data-bbox="858 1798 1042 1832"><b>1,504</b></td> <td data-bbox="1050 1798 1233 1832"><b>1,601</b></td> <td data-bbox="1241 1798 1409 1832"><b>+6%</b></td> </tr> <tr> <td data-bbox="520 1843 850 1877">Restructuring costs</td> <td data-bbox="858 1843 1042 1877">(71)</td> <td data-bbox="1050 1843 1233 1877">(158)</td> <td></td> </tr> <tr> <td data-bbox="520 1888 850 1960">Other operating income &amp; expenses</td> <td data-bbox="858 1888 1042 1960">(57)</td> <td data-bbox="1050 1888 1233 1960">(75)</td> <td></td> </tr> </table>			In € million, except data per share and other data	31/12/2014	31/12/2013 <sup>(1)</sup>	<b>Consolidated Income Statement</b>			Revenue	24,939	23,392	Net Profit – Group Share	1,941	1,888	Net Income per Share:			Basic	3.39	3.43	Diluted	3.37	3.40	<b>Consolidated Balance Sheet</b>			Total Assets	41,158	37,349	Equity attributable to owners of the Company	19,732	17,211	<b>Other Data</b>			Number of Outstanding Shares	584,691,142	561,958,023	Dividend per Share	1.92	1.87	<b>FIRST HALF 2015 KEY RESULTS</b>				<b>€ million</b>	<b>2014 HY</b>	<b>2015 HY</b>	<b>Change</b>	<b>Gross Profit</b>	<b>4,457</b>	<b>4,752</b>	<b>+7%</b>	<b>Support Function Costs</b>	<b>(2,953)</b>	<b>(3,151)</b>	<b>+7%</b>	<b>Adjusted EBITA</b>	<b>1,504</b>	<b>1,601</b>	<b>+6%</b>	Restructuring costs	(71)	(158)		Other operating income & expenses	(57)	(75)	
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<b>EBITA</b>	<b>1,376</b>	<b>1,368</b>	<b>-1%</b>
Amortization & impairment of purchase accounting intangibles	(127)	(138)	
<b>Net income (Group share)</b>	<b>821</b>	<b>719</b>	<b>-12%</b>
<b>Adjusted Net Income</b>	<b>879</b>	<b>912</b>	<b>+4%</b>
<b>Free cash flow</b>	<b>179</b>	<b>216</b>	<b>+21%</b>
There has been no significant change in the financial or trading position of the Issuer or of the Group since 30 June 2015 and no material adverse change in the prospects or affairs of the Issuer since 31 December 2014.			

**B.13** Recent material events relevant to the evaluation of the Issuer's solvency

**SECOND QUARTER REVENUES WERE UP 0.1% ORGANICALLY**  
**2015 Q2 revenues were €6,852 million, up +0.1% organically and +11.7% on a reported basis.**

**Organic growth by business**

€ million	HY 2015			Q2 2015	
	Revenues	Organic growth	Organic growth (ex. Invensys)	Revenues	Organic growth
Buildings & Partner	5,763	+0.4%	+0.4%	3,062	+0.5%
Industry	2,834	-5.3%	-2.4%	1,463	-4.2%
Infrastructure	2,516	+0.7%	+0.7%	1,367	+1.2%
IT	1,735	+0.5%	+0.5%	960	+4.8%
<b>Group</b>	<b>12,848</b>	<b>-0.9%</b>	<b>0%</b>	<b>6,852</b>	<b>+0.1%</b>

**Buildings & Partner** (45% of Q2 revenues) grew **+0.5%** organically. North America was up driven by continued growth in construction markets in the U.S. and Mexico. Western Europe grew thanks to good execution in France, and improvement in Spain and Italy. Asia-Pacific was down. China declined as expected, reflecting continued weakness in the construction market, while Australia and India grew. Rest of the World performed well, driven by infrastructure investment in the Middle East.

**Industry** (21% of Q2 revenues) was down **-4.2%** year-on-year, temporarily impacted by the Invensys integration. Western Europe was flat as growth in Italy and Spain, driven by OEM exports, was offset by a soft market in Germany and France. North America was down due to lower industrial investments related to the decline in oil prices and strong U.S. dollar. Asia Pacific declined, penalized by the slowdown in China while Japan performed well. Rest of the world was slightly up.

**Infrastructure** (20% of Q2 revenues) was up **+1.2%** in the second quarter. Western Europe grew from a low base thanks to improvement in Spain, Italy and the U.K. North America was up driven by project execution in Canada, while the U.S. was penalized by lower investment in Oil & Gas and delays in data center investments. Asia Pacific was down due to weakness in China and a high base of comparison in Australia while East Asia posted growth. Rest of the World was slightly up as infrastructure investments in the Middle East more than offset the



		<p>decline in Russia. Services remained a growth engine, up double-digit.</p> <p><b>IT</b> (14% of Q2 revenues), was up <b>+4.8%</b> organically in the second quarter. India posted strong growth after a one-off impact in Q1. The U.S. grew driven by channel initiatives and project execution in a slow market. IT investment in Western Europe remained positive. Rest of the world performed well as continued weakness in Russia was more than offset by growth in the Middle-East and Africa.</p> <p>In the second quarter, Solutions business was up <b>+1%</b> organically while services<sup>1</sup> were up <b>+7%</b> organically in Q2. Solutions represented <b>41%</b> of 2015 Q2 revenues.</p>
<b>B.14</b>	<b>Extent to which the Issuer is dependent upon other entities within the Group</b>	Being the holding company of the Group, the Issuer has no operations and is therefore dependent upon its subsidiaries for cash-flow generation.
<b>B.15</b>	<b>Principal activities of the Issuer</b>	<p>Schneider Electric is organized in four businesses – Buildings &amp; Partner, Infrastructure, Industry and IT – and operates in four principal markets: non-residential and residential buildings, utilities and infrastructure, industry and machine manufacturers, and data centers and networks.</p> <p>The Group’s operations are organized as follows:</p> <p><b>The Buildings and Partners Business</b></p> <p>The Buildings and Partners Business covers low voltage electrical distribution products and solutions and address the needs of all end markets from residential to commercial buildings, spanning across industries, infrastructures and data centers.</p> <p>Building Automation facilitates comfort and energy efficiency in non-residential buildings through automation and security systems.</p> <p><b>The Industry Business</b></p> <p>The historical scope of the Industry Business is Discrete Automation, which provides comprehensive products and solutions for the automation and control of machines, manufacturing plants and industrial sites. With the acquisition of Invensys in 2014, the Industry Business has expanded in the Process Automation space, gaining a strong installed base of Distributed Control Systems &amp; Instrumentation as well as a strong industrial software offer.</p> <p><b>The IT Business</b></p> <p>The IT Business specializes in critical power, cooling technologies for data centers and other applications where power continuity and quality is essential.</p> <p><b>The Infrastructure Business</b></p> <p>The Infrastructure Business covers medium voltage and grid automation products and solutions.</p>

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<sup>1</sup> Within H1, services out-grew the rest of the group by 6pts

<b>B.16</b>	<b>Extent to which the Issuer is directly or indirectly owned or controlled</b>	Not applicable.
<b>B.17</b>	<b>Credit ratings assigned to the Issuer or its debt securities</b>	<p>As of the date of the Base Prospectus, the long-term corporate rating of the Issuer by Standard &amp; Poor's Ratings Services ("<b>S&amp;P</b>") is A-. The Notes to be issued under the Programme may or may not be rated and, if so, will be rated by one or more credit rating agencies, which are established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit rating agencies (the "<b>CRA Regulation</b>"), as amended, and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (<a href="http://www.esma.europa.eu/page/List-registered-and-certified-CRAs">www.esma.europa.eu/page/List-registered-and-certified-CRAs</a>) as of the date of the Base Prospectus.</p> <p>The rating (if any) of the Notes will be specified in the Final Terms.</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>
		<p><b>Issue specific summary:</b></p> <p>Credit ratings: [Not applicable/The Notes to be issued [have been/are expected to be] rated: [•] by [•]</p>

<b>Section C - Securities</b>		
<b>C.1</b>	<b>Type, class and identification number of the Notes</b>	<p>Up to Euro 7,500,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time pursuant to the Euro Medium Term Note Programme arranged by BNP Paribas (the "<b>Programme</b>").</p> <p>The Notes may be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "<b>Series</b>") having one or more issue dates and on terms otherwise identical, the Notes of each Series being intended to be interchangeable or identical (other than in respect of the first payment of interest, the issue date, the issue price and the nominal amount) with all other Notes of that Series. Each Series may be issued in tranches (each a "<b>Tranche</b>") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant final terms to the Base Prospectus (the "<b>Final Terms</b>").</p> <p>Notes may be issued in either dematerialised form ("<b>Dematerialised Notes</b>") or materialised form ("<b>Materialised Notes</b>").</p> <p>Dematerialised Notes may, at the option of the Issuer be issued in bearer</p>

		<p>dematerialised form (<i>au porteur</i>) or in registered dematerialised form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant holder, either in fully registered form (<i>au nominatif pur</i>) or in administered registered form (<i>au nominatif administré</i>). No physical documents of title will be issued in respect of Dematerialised Notes. Materialised Notes may be in bearer materialised form (“<b>Materialised Bearer Notes</b>”) only if they are issued outside France. A Temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Bearer Notes.</p> <p>The Notes have been accepted for clearance through Euroclear France as central depository in relation to Dematerialised Notes and Clearstream Banking, société anonyme (“<b>Clearstream, Luxembourg</b>”), Euroclear Bank S.A./N.V. (“<b>Euroclear</b>”) or any other clearing system that may be agreed between the Issuer, the fiscal agent in respect of the Programme (the “<b>Fiscal Agent</b>”) and the relevant Dealer in relation to Materialised Notes.</p> <p>Identification number of the Notes: the International Securities Identification Number (ISIN) and a common code will be specified in the relevant Final Terms.</p>
		<p><b>Issue specific summary:</b></p> <p>Series Number: [•]  Tranche Number: [•]  Aggregate Nominal Amount: [•]  Series: [•]  Tranche: [•]  Form of Notes: [Dematerialised Notes / Materialised Notes].</p> <p><i>[If the Notes are Dematerialised Notes: Dematerialised Notes are [in bearer dematerialised form (<i>au porteur</i>) / in registered dematerialised form (<i>au nominatif</i>)].</i></p> <p><i>[If the Notes are Materialised Notes: Materialised Notes will be in bearer form only]</i></p>
		<p>ISIN: [•]  Common Code: [•]  Central Depository: [•]</p> <p>Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not applicable]/[give name(s) and number(s) [and address(es)]]</p>
<b>C.2</b>	<b>Currencies of the Notes</b>	Notes may be issued in any currency agreed between the Issuer, and the relevant Dealers, including Euros, Swiss Francs, U.S. dollars, Sterling, Japanese Yen and Renminbi (“ <b>RMB</b> ”).

		<p><b>Issue specific summary:</b></p> <p>The currency of the Notes is: [●]</p>
C.5	<b>Description of any restrictions on the free transferability of the Notes</b>	<p>Save certain restrictions regarding the purchase, offer, sale and delivery of the Notes, or possession or distribution of the Base Prospectus, any other offering material or any Final Terms, there is no restriction on the free transferability of the Notes.</p>
C.8	<b>Description of rights attached to the Notes</b>	<ul style="list-style-type: none"> <li>• <b><u>Issue price</u></b> The Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.</li> <li>• <b><u>Specified denomination</u></b> The Notes will be in such denominations as may be specified in the relevant Final Terms. The Notes will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer save that in respect of any Notes that are offered to the public and/or admitted to trading on a Regulated Market in the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive, such Notes will be at least such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency.</li> <li>• <b><u>Status of the Notes</u></b> The Notes will constitute direct, unsubordinated and unsecured obligations of the Issuer and rank and will rank <i>pari passu</i> and without any preference among themselves and equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer. The Notes will have the benefit of a negative pledge and the events of default set out in the “Terms and Conditions of the Notes”.</li> <li>• <b><u>Negative pledge</u></b> So long as any of the Notes or, if applicable, any coupons relating to them, remain outstanding, the Issuer will not, and will ensure that none of its Principal Subsidiaries will, create or permit to subsist any mortgage, lien, charge, pledge or other form of security interest (<i>sûreté réelle</i>) (“<b>Security</b>”) upon any of their respective assets or revenues, present or future, to secure (i) any Relevant Debt or (ii) any guarantee or indemnity in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer’s obligations under the Notes are equally and rateably secured therewith, except for any Security created by the Issuer over any equity share capital acquired by the Issuer in any company resulting in that company becoming a majority-owned subsidiary of the Issuer after the issue of the Notes for the sole purpose of financing that acquisition and securing principal moneys not exceeding the cost of that acquisition. “<b>Relevant Debt</b>” means any present or future indebtedness for borrowed money in the form of, or represented by, bonds (obligations) which are for the time being, or are capable of being, quoted, admitted to trading or ordinarily dealt in on any stock exchange, over-the-counter market or other securities market.</li> </ul>

		<ul style="list-style-type: none"> <li>• <b><u>Events of default, including cross default</u></b> The Notes may become immediately due and payable by a holder upon occurrence of certain events of default such as the non-repayment of amounts due under the Notes on their due date, breach of any obligation relating to the Notes or insolvency (or other similar proceeding) of the Issuer.</li> <li>• <b><u>Withholding tax</u></b> All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.</li> <li>• <b><u>Governing law</u></b> French law.</li> </ul> <p><b>Issue specific summary:</b></p> <p>Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] ( if applicable)]</p> <p>Specified Denomination[s]: [●]</p>
C.9	<b>Interest, maturity and redemption provisions, yield and representation of the holders of Notes</b>	<ul style="list-style-type: none"> <li>• <b><u>Interest rates and interest periods</u></b> The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. All such information will be set out in the relevant Final Terms.</li> <li>• <b><u>Fixed Rate Notes</u></b> Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.</li> <li>• <b><u>Floating Rate Notes</u></b> Floating Rate Notes will bear interest determined separately for each Series as follows: <ul style="list-style-type: none"> <li>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., or</li> <li>(ii) by reference to LIBOR or EURIBOR in both cases, as adjusted for any applicable margin.</li> </ul> </li> <li>• <b><u>Zero Coupon Notes</u></b> Zero Coupon Notes may be issued at their nominal amount or at a discount and will not bear interest.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b><u>Maturities</u></b> Subject to compliance with all relevant laws, regulations and directives, any maturity equal to or greater than seven calendar days.</li> <li>• <b><u>Redemption</u></b> The relevant Final Terms will specify the basis for calculating the redemption amounts payable.</li> <li>• <b><u>Make-Whole Redemption by the Issuer</u></b> If so specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to their Maturity Date.</li> <li>• <b><u>Residual Maturity Call Option</u></b> If so specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will have the option to redeem the Notes, in whole or in part, at par, at any time as from the call option date, which shall be no earlier than (i) three months before the Maturity Date in respect of Notes having a maturity of not more than seven years or (ii) six months before the Maturity Date in respect of Notes having a maturity of more than seven years.</li> <li>• <b><u>Optional Redemption</u></b> The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders, and if so, the terms applicable to such redemption. If a Change of Control Put Option is specified in the relevant Final Terms, following the occurrence of a Change of Control, the Noteholders will be entitled to request the Issuer to redeem the Notes or, at the Issuer’s option, procure the purchase of their Notes.</li> <li>• <b><u>Clean-Up Call Option</u></b> If so specified in the relevant Final Terms and if 80 per cent. or any other percentage above as specified in the relevant Final Terms (the “<b>Clean-Up Percentage</b>”) of the initial aggregate nominal amount of Notes of the same Series have been redeemed or purchased and, in each case, cancelled, the Issuer may, at its option, redeem the Notes in whole but not in part at their Early Redemption Amount together with any interest accrued to the date set for redemption.</li> <li>• <b><u>Early Redemption</u></b> Except as provided in “Make-Whole Redemption by the Issuer”, “Residual Maturity Call Option”, “Optional Redemption” and in “Clean-Up Call Option” above, the Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons.</li> <li>• <b><u>Yield</u></b> The Final Terms issued in respect of each issue of Fixed Rate Notes will set out an indication of the yield of the Notes.</li> <li>• <b><u>Representation of the holders of the Notes</u></b> In respect of the representation of the Noteholders, the following shall apply:</li> </ul>
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		Representation of the holders of Notes:  [Full <i>Masse</i> /Contractual <i>Masse</i> ]  The <i>Masse</i> will act in part through a representative (the “ <b>Representative</b> ”) and in part through general meetings of the holders of Notes. The name and address of the initial Representative are [●] and of its alternate are [●]. The Representative(s) appointed in respect of the first Tranche of any Series of Notes will be the representative of the single <i>Masse</i> of all Tranches in such Series.
<b>C.10</b>	<b>Derivative component in interest payments</b>	Not applicable
<b>C.11</b>	<b>Listing and admission to trading</b>	Notes of any particular Series may be admitted to trading on Euronext Paris and/or on the official list (the “ <b>Official List</b> ”) of the Luxembourg Stock Exchange and/or on such other stock exchanges (whether a regulated market or not) as may be specified in the applicable Final Terms, or unlisted. The applicable Final Terms will state whether or not the relevant Notes are to be admitted to trading and, if so, on which stock exchange(s).  <i>Issue specific summary:</i> [[Application has been made]/[Application is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to trading [on [Euronext Paris] / [the Official List of the Luxembourg Stock Exchange] / [●]] with effect from [●]/[Not applicable]
<b>C.21</b>	<b>Negotiation Market(s)</b>	The Notes may (or not) be admitted to trading on Euronext Paris, on the Official List of the Luxembourg Stock Exchange or any other regulated market, as may be specified in the relevant Final Terms. The Base Prospectus will be published for the purposes of this or these regulated market(s).  <i>Issue Specific Summary</i> [The Notes will be admitted to trading on [Euronext Paris]/ [the Official List of the Luxembourg Stock Exchange] / [●].]/[Not applicable.]

#### Section D –Risk Factors

<b>D.2</b>	<b>Key information on the key risks that are specific to the Issuer</b>	There are certain factors that may affect the Issuer’s ability to fulfill its obligations under the Notes. These risk factors are related to the Issuer, its operations, industry and its structure. These risk factors are not exhaustive.  The Group and its business are subject to various risks relating to changing competitive, economic, legal, political, social, industrial, business and financial conditions. Its operations and profit could be affected mainly by:  - Risk factors related to the Group’s business:
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		<ul style="list-style-type: none"> <li>- The worldwide markets for the Group's products are competitive in terms of pricing, quality of products, systems and services, development and introduction time for new offers. The Group faces strong competitors, some of whom are larger or are developing in certain lower cost countries. It is also exposed, in particular in emerging markets, to fluctuations in economic growth cycles and to the respective levels of investments within the different countries in which it operates, as well as to political or social instability.</li> <li>- The growth and success of the Group's products depend on its ability to constantly adapt and to leverage new technologies to deliver high value products and solutions. Introducing new products, systems and services requires a significant commitment to research and development, which may not always lead to successful results and the Group's revenue and margins may suffer if it invests in technologies that do not function as expected or are not accepted in the marketplace or if its products, systems or service offers are not brought to market in a timely manner, become obsolete or are not responsive to our customers' requirements.</li> <li>- The Group's strategy involves strengthening its positions through acquisitions, strategic alliances, joint ventures and mergers. External growth transactions are inherently risky because of the difficulties that may arise in integrating people, operations, technologies and products, and the related acquisition, administrative and other costs.</li> <li>- The future success of the Group depends in part on its ability to hire, assimilate and retain engineers, sales people and other qualified personnel, especially in the area of energy efficiency solutions, and competition for that type of highly qualified personnel is intense in the Group's industry.</li> <li>- Industrial and environmental risks <ul style="list-style-type: none"> <li>- The Group's products might not operate properly or might contain design faults or defects, which could give rise to disputes in respect of its liability as seller or manufacturer, leading to a loss of revenue, claims under warranty and legal proceedings. Such disputes could reduce demand for the Group's products or harm their reputation for safety and quality.</li> <li>- The Group's plants and products are subject to extensive and increasingly stringent environmental laws and regulations in the countries in which it operates. In addition to the cost of complying with those rules, it is possible that the Group be required to pay significant fines or compensation or incur significant other costs as a result of past, current or future breaches of environmental laws and regulations.</li> </ul> </li> <li>- Information systems risk <ul style="list-style-type: none"> <li>- The Group operates, either directly or through service providers, a wide range of highly complex information systems, including servers, networks, applications and databases, that are essential to the efficiency of its sales and manufacturing processes. Failure of any of</li> </ul> </li> </ul>
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		<p>these hardware or software systems, a fulfillment failure by a service provider, human error or computer viruses could adversely affect the quality of service offered by the Group.</p> <ul style="list-style-type: none"> <li>- Market risks <ul style="list-style-type: none"> <li>- The Group is exposed to risks associated with the effect of changing interest rates.</li> <li>- The Group's international operations expose it to currency exchange risk.</li> <li>- The Group is exposed to equity risk primarily due through its holdings of treasury shares.</li> <li>- The Group is exposed to fluctuations in energy and raw material prices, in particular steel, copper, aluminium, silver, lead, nickel, zinc and plastics.</li> <li>- The Group is exposed to counterparty risk and liquidity risk.</li> </ul> </li> <li>- Legal risks <ul style="list-style-type: none"> <li>- The Group's products are subject to varying national and international standards and regulations, including trade restrictions, tariffs, tax regimes and product safety standards. Changes to any of these regulations or standards or their applicability to the Group's business could lead to lower sales or increased operating costs.</li> <li>- In case of malfunction or failure of one of its products, systems or solutions, the Group could incur liability arising from any resulting tangible or intangible damages, or personal injury. Similarly, the Group could incur liability based on errors in the design of a product, system or solution or because of a malfunction related to the interface with other products or systems. The failure of a product, system or solution may involve costs related to the product recall, result in new expenditures for development, and launch technical and economic resources. Such cost could have a significant impact on the profitability and cash and cash equivalents of the Group. The business reputation of the Group could also be negatively impacted.</li> <li>- The Group's future success depends to a significant extent on the development, protection and maintenance of its intellectual property rights. Third parties may also infringe its intellectual property rights, and the Group may have to expend significant resources monitoring, protecting and enforcing its rights. If the Group fails to protect or enforce its intellectual property rights, its competitive position and its business could suffer.</li> </ul> </li> </ul>
<b>D.3</b>	<b>Key information on the key risks that are specific to the Notes</b>	<p>There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes issued under the Programme, including:</p> <ul style="list-style-type: none"> <li>- General risks relating to the Notes such as: <ul style="list-style-type: none"> <li>- The trading market for debt securities may be volatile and may be adversely impacted by many events;</li> <li>- An active trading market for the Notes may not develop;</li> <li>- The Notes may be subject to optional redemption by the Issuer;</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>- Any early redemption at the option of the Issuer, if provided for in any Final Terms for a particular issue of Notes, could cause the yield anticipated by Noteholders to be considerably less than anticipated;</li> <li>- Investors will not be able to calculate in advance their rate of return on Floating Rate Notes;</li> <li>- Exercise of a Change of Control Put Option by the Noteholders, a Residual Maturity Call Option or a Make-Whole Redemption by the Issuer in respect of certain Notes may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised;</li> <li>- Zero Coupon Notes are subject to higher price fluctuations than non-discounted bonds;</li> <li>- Exchange rates may significantly change and there is a risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls;</li> <li>- Taxation: Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions;</li> <li>- The EU Savings Directive - Pursuant to the Terms and Conditions of the Notes, if a payment were to be made or collected through a Member State which has opted for a withholding system under the Savings Directive and an amount of, or in respect of, tax is withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax;</li> <li>- Credit ratings may not reflect all risks;</li> <li>- Change of law - No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of the Base Prospectus;</li> <li>- The draft EU Directive on Financial Transaction Tax has a very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.</li> <li>- Risks related to RMB Notes: <ul style="list-style-type: none"> <li>- RMB is not freely convertible and the liquidity of the Notes denominated in RMB may be adversely affected;</li> <li>- Risk of change in government support and regulatory regime : there can be no assurance that the People's Republic of China ("PRC") government will continue to liberalise over cross-border RMB remittances in the future;</li> <li>- RMB currency risk : As a result of the restrictions by the PRC government on cross-border RMB fund flows, the availability of RMB outside the PRC is limited;</li> <li>- RMB exchange rate risk : The value of RMB against the Hong Kong dollar and other foreign currencies fluctuates and is affected by</li> </ul> </li> </ul>
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		<p>changes in the PRC and international political and economic conditions and by many other factors.</p> <p>An investment in the Notes involves certain risks which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. While all of these risk factors are contingencies which may or may not occur, potential investors should be aware that the risks involved with investing in the Notes may lead to volatility and/or a decrease in the market value of the relevant Tranche of Notes whereby the market value falls short of the expectations (financial or otherwise) of an investor who has made an investment in such Notes.</p> <p>However, each prospective investor in Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and conditions, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.</p>
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<b>Section E – Offer</b>		
<b>E.2b</b>	<b>Reasons for the offer and use of proceeds</b>	The net proceeds of the issue of each Tranche of Notes will be used by the Issuer for its general corporate purposes unless otherwise specified in the relevant Final Terms.
		<p><b><i>Issue Specific Summary</i></b></p> <p>[The net proceeds of the issue of the Notes will be used by the Issuer for its general corporate purposes./specify other]</p>
<b>E.3</b>	<b>Terms and conditions of the offer</b>	<p>Notes may be offered to the public in France and/or in the Grand Duchy of Luxembourg in which the Base Prospectus has been passported, which shall be specified in the applicable Final Terms.</p> <p>There are certain restrictions regarding the purchase, offer, sale and delivery of the Notes, or possession or distribution of the Base Prospectus, any other offering material or any Final Terms.</p> <p>Other than as set out in section A.2 above, neither the Issuer nor any of the Dealers has authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any Notes. Any such offers are not made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers.</p>
		<p><b><i>Issue Specific Summary</i></b></p> <p>[Not applicable. The Notes are not offered to the public.]/</p> <p>[The Notes are offered to the public in: [France]/[the Grand Duchy of Luxembourg] / [●]]</p> <p>Offer Price: [Issue Price/Specify]</p> <p>Conditions to which the offer is subject: [Not applicable/give details]</p>

		<p>Offer Period (including any possible amendments): [●]</p> <p>Description of the application process: [Not applicable/give details]</p> <p>Details of the minimum and/or maximum amount of the application: [Not applicable/give details]</p> <p>Manner in and date on which results of the offer are made public: [Not applicable/give details]</p>
<b>E.4</b>	<b>Interests of natural and legal persons involved in the issue of the Notes</b>	<p>The relevant Final Terms will specify any interest of natural and legal persons involved in the issue of the Notes.</p> <p><b><i>Issue Specific Summary</i></b>  [So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.] / [The Dealers will be paid an aggregate commission equal to [●] per cent. of the nominal amount of the Notes. So far as the Issuer is aware, no other person involved in the issue of the Notes has an interest material to the offer].</p>
<b>E.7</b>	<b>Estimated expenses charged to investor by the Issuer or the offeror</b>	<p>The relevant Final Terms will specify as the case may be the estimated expenses applicable to any Tranche of Notes.</p> <p><b><i>Issue Specific Summary</i></b>  [Not applicable / The estimated expenses charged to the investor(s) amount to [●].]</p>

## RESUME EN FRANÇAIS

### (SUMMARY)

Les résumés contiennent des exigences de publicité appelées « Éléments » dont la communication est requise par l'Annexe XXII du Règlement (CE) N° 809/2004 du 29 avril 2004 telle que modifiée. Ces Éléments sont numérotés dans les sections A à E (A.1 - E.7). Ce résumé contient tous les Éléments devant être inclus dans un résumé pour ce type de valeurs mobilières et pour Schneider Electric SE (l'« Émetteur »). La numérotation des Éléments peut ne pas se suivre en raison du fait que certains Éléments n'ont pas à être inclus. Bien qu'un Éléments doive être inclus dans le résumé du fait du type de valeur mobilière et d'émetteur concerné, il se peut qu'aucune information pertinente ne puisse être donnée sur cet Éléments. Dans ce cas, une brève description de l'Éléments est incluse dans le résumé suivie de la mention « Sans objet ».

Ce résumé est fourni dans le cadre de l'émission par l'Émetteur de Titres ayant une valeur nominale unitaire inférieure à 100.000 euros qui sont offerts au public ou admis à la négociation sur un marché réglementé de l'Espace Economique Européen (l'« EEE »). Le résumé spécifique à ce type d'émission de Titres figurera en annexe des Conditions Définitives applicables et comprendra (i) les informations relatives au résumé du Prospectus de Base et (ii) les informations contenues dans les rubriques « résumé spécifique à l'émission » figurant ci-dessous.

Section A - Introduction et avertissements		
A.1	<b>Avertissement général concernant le résumé</b>	Ce résumé doit être lu comme une introduction au Prospectus de Base. Toute décision d'investir dans les Titres doit être fondée sur un examen exhaustif du Prospectus de Base par les investisseurs, y compris les documents qui y sont incorporés par référence et tout supplément qui pourrait être publié à l'avenir. Lorsqu'une action concernant l'information contenue dans le Prospectus de Base est intentée devant un tribunal, le plaignant peut, selon la législation nationale de l'État Membre de l'EEE, avoir à supporter les frais de traduction du Prospectus de Base avant le début de la procédure judiciaire. Seule peut être engagée la responsabilité civile des personnes qui ont présenté le résumé ou la traduction de ce dernier, mais seulement si le contenu du résumé est trompeur, inexact ou contradictoire par rapport aux autres parties du Prospectus de Base ou s'il ne fournit pas, lu en combinaison avec les autres parties du Prospectus de Base, les informations clés permettant d'aider les investisseurs lorsqu'ils envisagent d'investir dans les Titres.
A.2	<b>Information relative au consentement de l'Émetteur concernant l'utilisation du Prospectus</b>	Dans le cadre de toute offre de Titres en France et au Grand-Duché de Luxembourg (les « Pays de l'Offre au Public ») qui ne bénéficie pas de l'exemption à l'obligation de publication d'un prospectus en vertu de la Directive Prospectus, telle que modifiée, (une « Offre au Public »), l'Émetteur consent à l'utilisation du Prospectus de Base et des Conditions Définitives applicables (ensemble, le « Prospectus ») dans le cadre d'une Offre au Public des Titres durant la période d'offre indiquée dans les Conditions Définitives concernées (la « Période d'Offre ») et dans les Pays de l'Offre au Public indiqué(s) dans les Conditions Définitives concernées par tout intermédiaire financier désigné dans ces Conditions Définitives (chacun un « Établissement Autorisé »). Le consentement mentionné ci-dessus s'applique à des Périodes d'Offre (le cas échéant) se terminant au plus tard à l'issue d'une période de 12 mois à compter de la date d'approbation du Prospectus de Base par l'Autorité des marchés

		<p>financiers.</p> <p><b>Les Modalités de l'Offre au Public devront être communiquées aux investisseurs par l'Établissement Autorisé au moment de l'Offre au Public. Ni l'Émetteur ni aucun des Agents Placeurs (tels que définis ci-dessous) ou des Établissements Autorisés ne sont responsables de cette information.</b></p> <p>Les références dans le Prospectus de Base aux « <b>Agents Placeurs Permanents</b> » sont aux personnes nommées ci-dessus en qualité d'Agents Placeurs (tels que définis ci-dessous), ainsi qu'aux personnes additionnelles qui seraient nommées comme agents placeurs pour les besoins du Programme en sa totalité (et il n'a pas été mis fin à une telle nomination) et les références aux « <b>Agents Placeurs</b> » couvrent tous les Agents Placeurs Permanents ainsi que toutes les personnes nommées en qualité d'agents placeurs pour les besoins d'une ou plusieurs Tranches.</p>
		<p><b>Résumé spécifique à l'émission :</b></p> <p>[Dans le cadre de toute offre de Titres en [●] (le[s] « <b>Pays de l'Offre au Public</b> ») qui ne bénéficie pas de l'exemption à l'obligation de publication d'un prospectus en vertu de la Directive Prospectus, telle que modifiée, (une « <b>Offre au Public</b> »), l'Émetteur consent à l'utilisation du Prospectus dans le cadre d'une Offre au Public de tous Titres de [●] à [●] (la « <b>Période d'Offre</b> ») et dans le[s] Pays de l'Offre Publique par [●] / [tout intermédiaire financier] (l'[/les] « <b>Établissement[s] Autorisé[s]</b> »). [L'[/Les] Etablissement[s] autorisé[s] doit[/doivent] remplir les conditions suivantes : [●].]</p> <p><b>Les Modalités de l'Offre au Public devront être communiquées aux Investisseurs par l'Établissement Autorisé au moment de l'Offre au Public. Ni l'Émetteur ni aucun des Agents Placeurs ou des Établissements Autorisés ne sont responsables de cette information.]/</b></p> <p>[Sans objet]</p>

<b>Section B – Émetteur</b>		
<b>B.1</b>	<b>Raison sociale et nom commercial de l'Émetteur</b>	SCHNEIDER ELECTRIC SE (la « <b>Société</b> » l'« <b>Emetteur</b> », ou « <b>Schneider Electric</b> », et, avec ses filiales consolidées, le « <b>Groupe</b> »).
<b>B.2</b>	<b>Siège social et forme juridique de l'Émetteur, législation qui régit l'activité et le pays d'origine de l'Émetteur</b>	<p>Schneider Electric SE est une société européenne, immatriculée en France au Registre du commerce et des sociétés de Nanterre sous le numéro 542 048 574. Son siège social est situé au 35, rue Joseph Monier, 92500 Rueil-Malmaison, France.</p> <p>Outre la France, qui est le pays où a été constituée la Société, l'Emetteur est présent dans plus de 100 pays et ses activités sont donc soumises à la législation française et à la législation de ces pays.</p>
<b>B.4b</b>	<b>Description de toutes les tendances</b>	Les tendances récentes indiquent une poursuite de la croissance en Amérique du Nord et des signes de stabilisation en Europe de l'Ouest. Les nouvelles économies afficheront des tendances contrastées : L'Inde devrait accélérer, alors

	<b>connues l'ayant des répercussions sur l'Émetteur et ses secteurs d'activité</b>	que la Russie sera confrontée à un environnement difficile. Après un début d'année ralenti, l'activité en Chine devrait s'améliorer progressivement sur l'année. Invensys devrait continuer à contribuer à la performance du Groupe.		
<b>B.5</b>	<b>Description du groupe de l'Émetteur et de la position de l'Émetteur au sein de son groupe</b>	L'Émetteur est la société <i>holding</i> du Groupe. Le Groupe offre des produits et solutions (systèmes, logiciels, services) afin de rendre l'énergie sûre, fiable, efficace, productive et verte. Spécialiste mondial de la gestion de l'énergie, présent dans plus de 100 pays, le Groupe bénéficie de position de leaders dans les cinq marchés sur lesquels il opère: les régies et infrastructures ; les industries et constructeurs de machines ; les centres de données; les bâtiments résidentiels ainsi que non résidentiels.		
<b>B.9</b>	<b>Prévision ou estimation du bénéfice</b>	Sans objet.		
<b>B.10</b>	<b>Réserves contenues dans le rapport des commissaires aux comptes</b>	Sans objet.		
<b>B.12</b>	<b>Informations financières sélectionnées</b>	Les informations financières historiques consolidées sélectionnées présentées ci-dessous sont issues des comptes consolidés de Schneider Electric et les notes associées pour les exercices clos les 31 décembre 2014 et 2013 préparés conformément aux normes IFRS.		
		En millions d'euros, sauf les données par action et les autres informations	31/12/2014	31/12/2013 <sup>(1)</sup>
		<b>Compte de résultat consolidé</b>		
		Chiffre d'affaires	24.939	23.392
		Résultat net part du Groupe	1.941	1.888
		Résultat net par action:		
		Avant dilution	3,39	3,43
		Après dilution	3,37	3,40
		<b>Bilan consolidé</b>		
		Actif total	41.158	37.349
		Capitaux propres	19.732	17.211
		<b>Autres informations</b>		
		Nombre d'actions en circulation	584.691.142	561.958.023
		Dividende par action	1,92	1,87
		<sup>(1)</sup> Les informations financières pour l'exercice clos le 31 décembre 2013 ont été retraitées.		



		<b>RÉSULTATS DU PREMIER SEMESTRE 2015</b>																																												
<b>€ million</b>		<b>S1 2014</b>	<b>S1 2015</b>	<b>Variation</b>																																										
<b>Marge brute</b>		<b>4.457</b>	<b>4.752</b>	<b>+7%</b>																																										
<b>Coût des fonctions support</b>		<b>(2.953)</b>	<b>(3.151)</b>	<b>+7%</b>																																										
<b>EBITA ajusté</b>		<b>1.504</b>	<b>1.601</b>	<b>+6%</b>																																										
Coûts de restructuration		(71)	(158)																																											
Autres charges et produits d'exploitation		(57)	(75)																																											
<b>EBITA</b>		<b>1.376</b>	<b>1.368</b>	<b>-1%</b>																																										
Amortissement et dépréciation des actifs incorporels issus des acquisitions		(127)	(138)																																											
<b>Résultat net (part du Groupe)</b>		<b>821</b>	<b>719</b>	<b>-12%</b>																																										
<b>Résultat net ajusté</b>		<b>879</b>	<b>912</b>	<b>+4%</b>																																										
<b>Cash flow libre</b>		<b>179</b>	<b>216</b>	<b>+21%</b>																																										
Il n'y a pas eu de changement significatif dans la situation financière ou commerciale de l'Emetteur ou du Groupe depuis le 30 juin 2015 et pas de détérioration significative dans ses perspectives ou ses activités depuis le 31 décembre 2014.																																														
<b>B.13</b>	<b>Evénement récent propre à l'Emetteur et présentant un intérêt significatif pour l'évaluation de sa solvabilité</b>	<p><b>CHIFFRE D'AFFAIRES DU T2 EN HAUSSE ORGANIQUE DE +0,1%</b>  <b>Le chiffre d'affaires du deuxième trimestre atteint 6 852 millions d'euros, en hausse de +0,1% à périmètre et taux de change constants et de +11,7% en croissance publiée.</b>  <b>Croissance organique par activité</b></p> <table border="1"> <thead> <tr> <th rowspan="2">En millions d'Euros</th> <th colspan="3">S1 2015</th> <th colspan="2">T2 2015</th> </tr> <tr> <th>Chiffre d'affaires</th> <th>Croissance organique</th> <th>Croissance org. hors Invensys</th> <th>Chiffre d'affaires</th> <th>Croissance organique</th> </tr> </thead> <tbody> <tr> <td>Buildings &amp; Partner</td> <td>5.763</td> <td>+0,4%</td> <td>+0,4%</td> <td>3.062</td> <td>+0,5%</td> </tr> <tr> <td>Industry</td> <td>2.834</td> <td>-5,3%</td> <td>-2,4%</td> <td>1.463</td> <td>-4,2%</td> </tr> <tr> <td>Infrastructure</td> <td>2.516</td> <td>+0,7%</td> <td>+0,7%</td> <td>1.367</td> <td>+1,2%</td> </tr> <tr> <td>IT</td> <td>1.735</td> <td>+0,5%</td> <td>+0,5%</td> <td>960</td> <td>+4,8%</td> </tr> <tr> <td><b>Group</b></td> <td><b>12.848</b></td> <td><b>-0,9%</b></td> <td><b>0%</b></td> <td><b>6.852</b></td> <td><b>+0,1%</b></td> </tr> </tbody> </table> <p><b>Buildings &amp; Partner</b> (45% du CA T2) enregistre une croissance organique de <b>+0,5%</b> au deuxième trimestre. L'Amérique du Nord est en hausse avec la croissance continue du marché de la construction aux Etats-Unis et au Mexique. L'Europe de l'Ouest est en croissance. La France bénéficie d'une bonne performance opérationnelle. L'Espagne et l'Italie s'améliorent. L'Asie-Pacifique est en baisse. La Chine est en baisse comme attendu, reflétant la faiblesse du marché de la construction alors que l'Australie et l'Inde sont en croissance. Le Reste du Monde affiche une bonne performance, porté notamment par les</p>				En millions d'Euros	S1 2015			T2 2015		Chiffre d'affaires	Croissance organique	Croissance org. hors Invensys	Chiffre d'affaires	Croissance organique	Buildings & Partner	5.763	+0,4%	+0,4%	3.062	+0,5%	Industry	2.834	-5,3%	-2,4%	1.463	-4,2%	Infrastructure	2.516	+0,7%	+0,7%	1.367	+1,2%	IT	1.735	+0,5%	+0,5%	960	+4,8%	<b>Group</b>	<b>12.848</b>	<b>-0,9%</b>	<b>0%</b>	<b>6.852</b>	<b>+0,1%</b>
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		<p>investissements d'infrastructure au Moyen-Orient.</p> <p><b>Industry</b> (21% du CA T2) affiche une baisse organique de <b>-4,2%</b>, temporairement affectée par l'intégration d'Invensys. L'Europe de l'Ouest est stable. L'Italie et l'Espagne sont en croissance, bénéficiant des exportations des constructeurs de machines et compensent la faiblesse des marchés en France et en Allemagne. L'Amérique du Nord est en baisse, impactée par la réduction des investissements industriels liée à la baisse du prix du pétrole et à l'appréciation du dollar. L'Asie Pacifique est en baisse, subissant le ralentissement de la Chine alors que la performance du Japon reste bonne. Le Reste du Monde est en faible croissance.</p> <p><b>Infrastructure</b> (20% du CA T2) est en croissance organique de <b>+1,2%</b>. L'Europe de l'Ouest affiche une croissance sur une base de comparaison faible grâce à une amélioration de la performance en Espagne, en Italie et au Royaume-Uni. L'Amérique du Nord est en croissance, bénéficiant de la réalisation de projets au Canada. Cependant les Etats-Unis sont impactés par la faiblesse des investissements liés au pétrole et gaz et par des délais dans les investissements dans les centres de données. L'Asie Pacifique est en baisse, résultant de la faiblesse du marché chinois et d'une base de comparaison élevée en Australie, alors que l'Asie du Sud Est est en croissance. Le Reste du Monde est en légère croissance, les investissements en Infrastructure au Moyen-Orient compensant pleinement la baisse en Russie. Les Services continuent à porter la croissance, affichant une croissance à deux-chiffres (« double-digits »).</p> <p><b>IT</b> (14% du CA T2), est en hausse organique de <b>+4,8%</b> au deuxième trimestre. L'Inde affiche une forte croissance après avoir subi l'impact d'un élément exceptionnel au T1. Les Etats-Unis sont en croissance, bénéficiant des initiatives d'une meilleure utilisation des canaux de distribution et de l'exécution de projets dans un marché atone. Les investissements en IT restent bien orientés en Europe de l'Ouest. Le Reste du Monde continue à afficher une bonne performance, la croissance au Moyen-Orient et en Afrique permettant de compenser pleinement la faiblesse du marché russe.</p> <p>Les Solutions sont en hausse organique de <b>+1%</b> et les Services<sup>2</sup> sont en hausse organique de <b>+7%</b> au deuxième trimestre. Les Solutions représentent <b>41%</b> du chiffre d'affaires du deuxième trimestre.</p>
<b>B.14</b>	<b>Degré de dépendance de l'Émetteur à l'égard d'autres entités de son Groupe</b>	En tant que société holding du Groupe, l'Émetteur n'exerce pas d'activités opérationnelles et dépend donc de ses filiales pour la génération de ses cash flows.
<b>B.15</b>	<b>Principales activités de l'Émetteur</b>	<p>Le Groupe exerce ses activités dans quatre domaines (Buildings &amp; Partner, Infrastructure, Industry et IT) et opère sur quatre grands marchés : les bâtiments non résidentiels et résidentiels ; les régies et infrastructures ; les industries et constructeurs de machines ; et les centres de données et réseaux.</p> <p>Les activités du Groupe sont organisées de la façon suivante:</p>

<sup>2</sup> Au SI, les services surperforment le reste du Groupe de 6 points.

		<p><b>L'Activité Buildings &amp; Partners</b></p> <p>L'Activité <i>Buildings &amp; Partner</i> couvre les produits et solutions de distribution électrique basse tension et répond aux besoins de tous les marchés finaux, des bâtiments résidentiels aux édifices commerciaux, secteurs d'activités industrielles, infrastructures et centres de données confondus.</p> <p>Les automatismes du bâtiment contribuent au confort et à l'efficacité énergétique des bâtiments tertiaires grâce à des systèmes d'automatisme et de sécurité.</p> <p><b>L'Activité Industry</b></p> <p>Le périmètre historique de l'Activité <i>Industry</i> porte sur l'automatisation discrète, qui offre des produits et des solutions complets d'automatismes et de contrôle pour machines, usines de fabrication et sites industriels.</p> <p>Avec l'acquisition d'Invensys en 2014, l'activité <i>Industry</i> a élargi son portefeuille d'Activités dans l'univers de l'automatisation des processus, en récupérant une solide base installée de systèmes de contrôles distribués et d'instrumentation et des systèmes de sécurité, ainsi qu'une solide offre de logiciels industriels.</p> <p><b>L'Activité IT</b></p> <p>L'Activité <i>IT</i> inclut les technologies d'énergie sécurisée et de refroidissement pour les centres de données et autres applications pour lesquelles la continuité et la qualité de l'alimentation électrique sont essentielles.</p> <p><b>L'Activité Infrastructure</b></p> <p>L'Activité <i>Infrastructure</i> couvre la moyenne tension et des produits et solutions d'automatisation du réseau.</p>
<b>B.16</b>	<b>Entité(s) ou personne(s) détenant ou contrôlant directement ou indirectement l'Émetteur</b>	Sans objet.
<b>B.17</b>	<b>Notation assignée à l'Émetteur ou à ses titres d'emprunt</b>	<p>A la date du Prospectus de base, la notation à long terme de l'Émetteur par Standard &amp; Poor's Ratings Services (« <b>S&amp;P</b> ») est A-. Les Titres à émettre dans le cadre du Programme pourront ou non être notés et, s'il sont notés, le seront par une ou plusieurs agences de notation qui sont établies dans l'Union Européenne et enregistrées conformément au Règlement (CE) N° 1060/2009 sur les agences de notation (le « <b>Règlement CRA</b> »), tel que modifié, et incluses dans la liste des agences de notation enregistrées conformément au Règlement CRA publié sur le site internet de l'Autorité européenne des marchés financiers (<a href="http://www.esma.europa.eu/page/List-registered-and-certified-CRAs">www.esma.europa.eu/page/List-registered-and-certified-CRAs</a>) à la date du Prospectus de base.</p> <p>La notation (le cas échéant) des Titres sera indiquée dans les Conditions Définitives.</p> <p>Une notation n'est pas une recommandation d'achat, de vente ou de détention de titres et peut, à tout moment, être suspendue, modifiée, ou retirée par l'agence de notation concernée.</p>

		<p><b>Résumé spécifique à l'émission :</b></p> <p>Notation de crédit : [Sans objet/Les Titres qui seront émis [ont été/devraient être] notées :</p> <p>[●] par [●]</p> <p>[●]</p>
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<b>Section C – Valeurs mobilières</b>		
<b>C.1</b>	<b>Nature, catégorie et numéro d'identification des Titres</b>	<p>Jusqu'à 7.500.000.000 euros (ou la contre-valeur de ce montant dans d'autres devises à la date de l'émission) représentant le montant nominal total des Titres en circulation à tout moment dans le cadre du Programme <i>d'Euro Medium Term Notes</i> arrangé par BNP Paribas (le « <b>Programme</b> »).</p> <p>Les Titres peuvent être émis sur une base syndiquée ou non syndiquée. Les Titres seront émis par souche (dénommée chacune « <b>Souche</b> ») à une même date ou à des dates d'émissions différentes et seront à tous autres égards identiques, les Titres d'une même Souche étant supposés être fongibles entre eux ou identiques à tous égards (à l'exception du premier paiement d'intérêts, de la date d'émission, du prix d'émission et du montant nominal). Chaque Souche pourra être émise par tranches (dénommées chacune « <b>Tranche</b> ») aux mêmes dates d'émission ou à des dates d'émission différentes. Les conditions particulières de chaque Tranche (qui seront complétées, si nécessaire, par des conditions complémentaires et qui, sauf en ce qui concerne la date d'émission, le prix d'émission, le premier paiement d'intérêts et le montant nominal de la Tranche, seront identiques aux conditions des autres Tranches de la même Souche) seront indiquées dans les Conditions Définitives jointes au présent Prospectus de Base (les « <b>Conditions Définitives</b> »).</p> <p>Les Titres pourront être émis sous forme de titres dématérialisés (« <b>Titres Dématérialisés</b> ») ou matérialisés (« <b>Titres Matérialisés</b> »).</p> <p>Les Titres Dématérialisés peuvent, au choix de l'Émetteur, soit être émis au porteur, soit être nominatifs et, dans ce dernier cas, au choix du porteur concerné, être au nominatif pur ou au nominatif administré. Aucun titre papier ne sera émis pour les Titres Dématérialisés. Les Titres Matérialisés peuvent être émis au porteur (« <b>Titres Matérialisés au Porteur</b> ») uniquement s'ils sont émis hors de France. Un certificat global temporaire émis au porteur (un « <b>Certificat Global Temporaire</b> ») relatif à chaque Tranche de Titres Matérialisés au Porteur sera initialement émis.</p> <p>Les Titres ont été déposés auprès d'Euroclear France en qualité de dépositaire central pour les Titres Dématérialisés et Clearstream Banking, société anonyme (« <b>Clearstream, Luxembourg</b> »), Euroclear Bank S.A./N.V. (« <b>Euroclear</b> ») ou tout autre système de compensation convenu par l'Émetteur, l'agent financier dans le cadre du Programme (l'« <b>Agent Financier</b> ») et l'Agent Placeur concerné pour les Titres Matérialisés.</p> <p>Un numéro d'identification des Titres (Code ISIN) et un code commun seront indiqués dans les Conditions Définitives applicables.</p>

		<p><b>Résumé spécifique à l'émission :</b></p> <p>Souche N° : [●]  Tranche N° : [●]  Montant nominal total : [●]  Souche : [●]  Tranche : [●]  Forme des Titres : [Titres Matérialisés/Titres Dématérialisés]  [Si les Titres sont des Titres Dématérialisés : Les Titres Dématérialisés sont des Titres au porteur / au nominatif.]  Si les Titres sont des Titres Matérialisés : Les Titres Matérialisés sont des Titres au porteur uniquement]  ISIN : [●]  Code commun : [●]  Dépositaire Central : [●]  Tout système de compensation autre qu'Euroclear Bank S.A./N.V. et Clearstream Banking, société anonyme et les numéros d'identification applicables : [Sans objet]/[donner le(s) nom(s) et le(s) numéro(s) [et le(s) adresse(s)]]</p>
C.2	<b>Devises des Titres</b>	<p>Les Titres peuvent être émis en toute devise qui pourrait être convenue entre l'Emetteur et les Agents Placeurs concernés notamment, en euro, franc suisse, dollar américain, livre sterling, yen japonais et yuan chinois (« <b>RMB</b> »).</p> <p><b>Résumé spécifique à l'émission :</b>  La devise des Titres est : [●]</p>
C.5	<b>Description de toute restriction imposée à la libre négociabilité des Titres</b>	<p>Sous réserve de certaines restrictions relatives à l'achat, l'offre, la vente et la livraison des Titres et à la possession ou distribution du Prospectus de Base, de tout autre document d'offre ou de toutes Conditions Définitives, il n'existe pas de restriction imposée à la libre négociabilité des Titres.</p>
C.8	<b>Description des droits attachés aux Titres</b>	<ul style="list-style-type: none"> <li>• <b><u>Prix d'émission</u></b>  Les Titres peuvent être émis à leur valeur nominale ou avec une décote ou une prime par rapport à leur valeur nominale.</li> <li>• <b><u>Valeur nominale unitaire</u></b>  Les Titres auront la valeur nominale indiquée dans les Conditions Définitives correspondantes.  Les Titres auront la ou les valeur(s) nominale(s) convenue(s) entre l'Emetteur et l'Agent Placeur concerné sauf pour la valeur nominale minimale de tout Titre</li> </ul>

	<p>admis à la négociation sur un marché réglementé, ou offert au public dans un Etat membre de l'EEE dans des circonstances exigeant la publication d'un prospectus en vertu de la Directive Prospectus, qui sera d'au moins un montant qui pourra être autorisé ou exigé, le cas échéant, par la banque centrale concernée (ou tout autre organisme pertinent) ou par les lois et règlements applicables à la devise prévue.</p> <ul style="list-style-type: none"> <li>• <b><u>Rang de créance des Titres</u></b> Les Titres constitueront des engagements directs, inconditionnels, non subordonnés et non-assortis de sûreté de l'Emetteur, venant au même rang entre eux et au même rang que toutes les autres engagements non subordonnés et non assortis de sûretés, présents ou futurs de l'Emetteur. Les Titres bénéficieront d'une clause de maintien de l'emprunt à son rang ainsi que des cas de défaut décrits dans les « Modalités des Titres ».</li> <li>• <b><u>Maintien de l'emprunt à son rang</u></b> Tant que les Titres ou, le cas échéant, les coupons attachés aux Titres seront en circulation, l'Emetteur ne constituera pas ou ne laissera pas subsister et s'assurera qu'aucune de ses filiales principales ne constituera ou ne laissera subsister, d'hypothèque, de gage, de nantissement, ou toute autre sûreté réelle ("Sûreté") sur l'un quelconque de leurs actifs ou revenus respectifs, présents ou futurs, aux fins de garantir (i) tout Dette Concernée ou (ii) toute garantie ou engagement d'indemnisation relatif à toute Dette Concernée, à moins qu'au même moment ou au préalable, les obligations de l'Emetteur découlant des Titres ne bénéficient d'une sûreté équivalente et de même rang, à l'exception de toute Sûreté constituée par l'Emetteur sur toute action acquise par ce dernier dans toute société qui aurait pour conséquence que cette société devienne une filiale détenue en majorité par l'Emetteur à la suite de l'émission de Titres pour le seul besoin du financement de cette acquisition et de la garantie du montant principal n'excédant le coût de cette acquisition. « <b>Dette Concernée</b> » signifie toute dette d'emprunt, qu'elle soit présente ou future, relative à un emprunt d'argent dans la forme de, ou représenté par, des obligations cotées ou négociées ou susceptibles d'être cotées ou négociées sur toute bourse de valeurs, tout marché de gré à gré ou tout autre marché de titres.</li> <li>• <b><u>Cas de défaut, y compris le défaut croisé</u></b> Les Titres peuvent devenir immédiatement échus et exigibles par le porteur en raison de la survenance de certains cas de défaut tels que le défaut de paiement des sommes dues en vertu des Titres à leur date d'échéance, le manquement à une quelconque obligation se rapportant aux Titres, ou la faillite (ou autre procédure équivalente) de l'Emetteur.</li> <li>• <b><u>Retenue à la source</u></b> Tous les paiements de principal, d'intérêts et autres revenus effectués par ou pour le compte de l'Emetteur en vertu des Titres devront l'être nets de toute retenue à la source ou prélèvement, de tous taxes, droits, impôts ou prélèvements de toute nature, imposés, levés, collectés ou retenus à la source par l'Etat français ou sur le territoire français ou par toute autorité de cet Etat ayant le pouvoir de lever l'impôt, à moins que cette retenue à la source ou ce prélèvement ne soit exigé par la loi.</li> </ul>
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		<ul style="list-style-type: none"> <li>• <b><u>Droit applicable</u></b> Droit français.</li> </ul> <p><b>Résumé spécifique à l'émission :</b> [●] % du Montant Nominal Total [majoré des intérêts courus à compter de [insérer la date] (si applicable)].</p> <p>Prix d'Émission :</p> <p>Valeur Nominale Unitaire : [●]</p>
C.9	<b>Intérêts, échéance et modalités de remboursement, rendement et représentation des porteurs des Titres</b>	<ul style="list-style-type: none"> <li>• <b><u>Périodes d'intérêt et taux d'intérêts</u></b> La durée des périodes d'intérêts des Titres et le taux d'intérêt applicable ou sa méthode de calcul pourront être constants ou varier au cours du temps pour chaque Souche. Les Titres pourront avoir un taux d'intérêt maximum, un taux d'intérêt minimum, ou les deux. Ces informations seront prévues dans les Conditions Définitives concernées.</li> <li>• <b><u>Titres à Taux Fixe</u></b> Les coupons fixes seront payables à terme échu chaque année à la date ou aux dates de chaque année prévues dans les Conditions Définitives.</li> <li>• <b><u>Titres à Taux Variable</u></b> Les Titres à Taux Variable porteront intérêt déterminé de façon différente pour chaque Souche, comme suit: <ul style="list-style-type: none"> <li>(i) sur la même base que le taux variable applicable à une opération d'échange de taux d'intérêt notionnel dans la Devise Prévues concernée, conformément à un contrat incluant les Définitions ISDA 2006 telles que publiées par l'<i>International Swaps and Derivatives Association, Inc.</i> ; ou</li> <li>(ii) par référence au LIBOR ou EURIBOR dans les deux cas, tels qu'ajustés des marges applicables.</li> </ul> </li> <li>• <b><u>Titres à Coupon Zéro</u></b> Les Titres à Coupon Zéro peuvent être émis à leur valeur nominale ou avec décote et ne porteront pas intérêt.</li> <li>• <b><u>Échéances</u></b> Sous réserve du respect de toutes lois, réglementations et directives applicables, toute échéance égale ou supérieure à 7 jours calendaires.</li> <li>• <b><u>Remboursement</u></b> Les Conditions Définitives concernées définiront la base de calcul des montants de remboursement dûs.</li> <li>• <b><u>Remboursement anticipé au gré de l'Emetteur : Make-Whole</u></b> Si les Conditions Définitives relatives à une émission de Titres le prévoient, l'Emetteur disposera d'une option de remboursement anticipé de tout ou partie des Titres, à tout moment ou de temps en temps, avant leur date d'échéance.</li> <li>• <b><u>Option de Remboursement à Maturité Résiduelle</u></b> Si les Conditions Définitives relatives à une émission de Titres le prévoient, l'Emetteur disposera d'une option de remboursement anticipé de la totalité ou d'une partie seulement des Titres, à tout moment entre la date d'échéance et la date d'option de remboursement, laquelle ne pourra être antérieure à (i) trois mois avant la date d'échéance pour les Titres ayant une maturité inférieure à sept</li> </ul>

ans et (ii) six mois avant la date d'échéance pour les Titres ayant une maturité supérieure à sept ans.

- **Option de Remboursement**

Les Conditions Définitives préparées à l'occasion de chaque émission de Titres indiqueront si ceux-ci peuvent être remboursés avant la date d'échéance prévue au gré de l'Émetteur et/ou des porteurs de Titres (en totalité ou en partie) et, si tel est le cas, les modalités applicables à ce remboursement.

Si une option de remboursement en cas de changement de contrôle est prévue dans les Conditions Définitives concernées, en cas de changement de contrôle, les porteur de Titres pourront demander à l'Emetteur le remboursement des Titres, ou au gré de l'Emetteur, obtenir le rachat de leurs Titres.

- **Remboursement anticipé au gré de l'Emetteur des Titres restant en circulation : *Clean-Up***

Si les Conditions Définitives relatives à une émission de Titres le prévoient, et si 80 pour cent. ou tout autre pourcentage supérieur tel que précisé dans les Conditions Définitives applicables (le « **Pourcentage de *Clean-Up*** ») du montant de capital global initial des Titres d'une même souche a été remboursé ou racheté et pour chaque cas, annulé, l'Emetteur peut, à son gré, racheter la totalité, mais non une partie seulement, des Titres en circulation à leur Montant de Remboursement Anticipé, majoré des intérêts courus à la date fixée pour le remboursement.

- **Remboursement anticipé**

Excepté dans les conditions prévues dans les paragraphes "Remboursement anticipé au gré de l'Emetteur : *Make-Whole*", "Option de Remboursement à Maturité Résiduelle", "Option de Remboursement" et "Remboursement anticipé au gré de l'Emetteur des Titres restant en circulation : *Clean-Up*" ci-dessus, les Titres seront remboursables avant échéance au gré de l'Emetteur uniquement pour des raisons fiscales.

- **Rendement**

Les Conditions Définitives de chaque émission de Titres à Taux Fixe préciseront le rendement des Titres.

- **Représentation des porteurs des Titres**

En ce qui concerne la représentation des porteurs de Titres, les règles suivantes s'appliqueront:

- (a) Si les Titres sont émis en France, les Conditions Définitives concernées stipuleront qu'une « Masse Complète » sera constituée et que les porteurs de Titres seront groupés, au titre de toutes les Tranches d'une même Souche, pour la défense de leurs intérêts communs en une masse (la « Masse ») et les dispositions du Code de commerce relatives à la Masse s'appliqueront ; et
- (b) Si les Titres sont émis hors de France pour les besoins de l'article L.288-90 du Code de commerce, les Conditions Définitives concernées stipuleront qu'une « Masse Contractuelle » sera constituée et que les porteurs de Titres seront groupés automatiquement, au titre de toutes les Tranches d'une même Souche, pour la défense de leurs intérêts communs en une Masse. La Masse sera régie par les dispositions du Code de commerce, à l'exception



		<p>des articles L. 228-48, L. 228-59, R.228-63, R.228-67 et R.228-69.</p> <p>Si les Conditions Définitives indiquent que les stipulations des paragraphes (a) ou (b) ci-dessus sont applicables, la Masse agira en partie par l'intermédiaire d'un représentant (le « Représentant ») et en partie par l'intermédiaire d'une assemblée générale des porteurs de titres. Les noms et adresses du Représentant initial et de son suppléant seront précisés dans les Conditions Définitives concernées. Le Représentant désigné dans le cadre de la première Tranche d'une Souche sera le représentant de la Masse unique de toutes les autres Tranches de cette Souche.</p>
		<p><b>Résumé spécifique à l'émission :</b></p> <p>Base(s) d'Intérêt : [Taux Fixe [●] %]  [Taux Variable [●] +/- [●] %]  [Taux Fixe/Variable]  [Coupon Zéro]</p> <p>Date de Commencement des Intérêts : [Préciser/Date d'Émission/Sans objet]</p> <p>Date d'échéance : [Préciser (<i>pour les Titres à Taux Variable</i>) la Date de Paiement des Intérêts tombant le ou le plus près du mois et de l'année concernés]</p> <p>Montant de Remboursement Final de chaque Titre : [●] par Titre d'une Valeur Nominale Unitaire de [●]</p> <p>Remboursement anticipé au gré de l'Emetteur : <i>Make-Whole</i> : [Applicable]/[Sans objet]</p> <p>Option de Remboursement : [Applicable] / [Sans objet]</p> <p>Option de Remboursement à Maturité Résiduelle: [Applicable]/[Sans objet]</p> <p>Remboursement anticipé au gré de l'Emetteur des Titres restant en circulation : <i>Clean-Up</i> : [Applicable]/[Sans objet]</p> <p>Montant de Remboursement Optionnel : [Applicable : [●] par Titre d'une Valeur Nominale Unitaire de [●] / [Sans objet]]</p> <p>Montant de Remboursement Anticipé : [Applicable : [●] par Titre d'une Valeur Nominale Unitaire de [●] / [Sans objet]]</p> <p>Rendement (des Titres à Taux Fixe) : [Applicable] / [Sans objet]</p>

		<p>Représentation des Porteurs de Titres : [Masse Complète/Masse Contractuelle]</p> <p>La Masse agira par l'intermédiaire d'un représentant (le « <b>Représentant</b> ») et en partie par l'intermédiaire d'une assemblée générale des porteurs de Titres. Les nom et adresse du premier Représentant sont [●] et de son remplaçant sont [●]. Le Représentant(s) désigné dans le cadre de la première Tranche de toutes Souches des Titres sera le représentant de la Masse unique de toutes les autres Tranches de ces Souches.</p>
<b>C.10</b>	<b>Païement des intérêts liés à un (des) instrument(s) dérivé(s)</b>	Sans objet
<b>C.11</b>	<b>Cotation et admission à la négociation</b>	<p>Les Titres d'une quelconque Souche peuvent être cotés et admis aux négociations sur Euronext Paris et/ou sur la liste officielle (la « <b>Liste Officielle</b> ») de la Bourse de Luxembourg et/ou sur tout autre marché (réglementé ou non) mentionné dans les Conditions Définitives ou peuvent ne pas être cotés. Les Conditions Définitives concernées indiqueront si les Titres seront cotés ou non et mentionneront le cas échéant sur quel(s) marché(s).</p> <p><i>Résumé spécifique à l'émission :</i></p> <p>[[Une demande a été faite]/[Une demande doit être faite] par l'Émetteur (ou au nom et pour le compte de l'Émetteur) en vue de la cotation et de l'admission des Titres aux négociations sur [[Euronext Paris] / [la Liste Officielle de la Bourse de Luxembourg] / [●]] à compter de [●]] / [Sans objet]</p>
<b>C.21</b>	<b>Marchés de négociation</b>	<p>Les Titres pourront (ou non) être cotés et admis aux négociations sur Euronext Paris, la Liste Officielle de la Bourse de Luxembourg ou tout autre marché réglementé, tel que précisé dans les Conditions Définitives applicables. Le Prospectus de Base sera publié à l'intention du ou des marchés réglementés ainsi désignés.</p> <p><i>Résumé spécifique à l'émission :</i></p> <p>[Les Titres seront cotés et admis aux négociations sur [le marché réglementé d'Euronext Paris] / [la Liste Officielle de la Bourse de Luxembourg] / [●].]/[Sans objet.]</p>

<b>Section D –Facteurs de Risque</b>		
<b>D.2</b>	<b>Informations clés sur les principaux risques propres à l'Émetteur</b>	<p>Certains facteurs sont susceptibles d'affecter la capacité de l'Émetteur à remplir ses obligations découlant des Titres. Ces risques sont liés à l'Émetteur, à ses activités, son secteur et sa structure. Ces facteurs de risque ne sont pas exhaustifs.</p> <p>Le Groupe et ses activités sont soumis à différents risques liés aux changements dans les circonstances concurrentielles, économiques, juridiques, politiques,</p>

		<p>sociales, industrielles, commerciales et financières. Ses activités et son résultat pourraient être affectés principalement par :</p> <ul style="list-style-type: none"> <li>- Risques opérationnels : <ul style="list-style-type: none"> <li>- Les marchés sur lesquels les produits du Groupe sont commercialisés dans le monde se caractérisent par une forte concurrence sur les prix, la qualité de l'offre, les délais de développement et de mise sur le marché et le service client. Cette concurrence est exercée par des entreprises d'une taille parfois plus importante ou qui se développent dans des pays à bas coûts. Le Groupe est également exposé, en particulier dans les pays émergents, aux fluctuations des cycles de croissance économique et aux niveaux respectifs d'investissements des différents pays dans lesquels il est présent, ainsi qu'à l'instabilité politique ou sociale.</li> <li>- Le développement et le succès des produits du Groupe dépendent de sa capacité à concevoir de nouveaux produits et services et à s'adapter aux marchés et aux besoins de ses clients. Introduire de nouveaux produits, systèmes et services implique des investissements importants en recherche et développement, à l'issue parfois incertaine et le chiffre d'affaires et les marges du Groupe peuvent reculer s'il investit dans des technologies qui n'apportent pas le résultat escompté ou sont mal accueillies par le marché, si ses produits, systèmes ou services ne sont pas mis sur le marché au moment opportun, sont frappés d'obsolescence ou ne répondent pas aux besoins de ses clients.</li> <li>- La stratégie du Groupe implique un renforcement de ses positions par le biais d'acquisitions, d'alliances stratégiques, de joint-ventures et de fusions. Ce type d'opérations comporte des risques inhérents aux difficultés potentielles rencontrées lors de l'intégration du personnel, des activités, des technologies et des produits, ainsi que des coûts (d'acquisitions, administratifs ou autres) associés.</li> <li>- La réussite future du Groupe dépend en partie de sa capacité à recruter, intégrer et conserver ses ingénieurs, commerciaux et autres collaborateurs qualifiés, notamment dans le domaine des solutions d'efficacité énergétique, et la concurrence pour attirer du personnel très qualifié de ce type est intense dans le secteur d'activité du Groupe.</li> </ul> </li> <li>- Risques industriels et environnementaux <ul style="list-style-type: none"> <li>- Les produits du Groupe peuvent présenter des risques de dysfonctionnements, d'erreurs ou de défauts, susceptibles de donner lieu à des litiges engageant sa responsabilité soit de vendeur, soit de fabricant, d'entraîner une perte de chiffre d'affaires, des réclamations au titre de la garantie, ainsi que des procédures juridiques. Ces contentieux pourraient entraîner une baisse de la demande pour les produits du Groupe et nuire à leur réputation de qualité et de sécurité.</li> <li>- Dans tous les pays où il est présent, les sites et les produits du Groupe sont soumis au respect des exigences exhaustives et de plus en plus strictes des lois et réglementations en matière de protection de</li> </ul> </li> </ul>
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		<p>l'environnement. Outre les coûts résultant de l'application de ces règles, il ne peut être exclu que le Groupe soit tenu de payer des amendes ou dommages et intérêts d'un montant significatif ou doivent engager d'autres dépenses significatives au titre de violations passées, présentes ou futures des lois et réglementations environnementales.</p> <ul style="list-style-type: none"> <li>- Risques liés aux systèmes d'information <ul style="list-style-type: none"> <li>- Le Groupe exploite, directement ou par l'intermédiaire de prestataires, des systèmes d'information multiples et très complexes (serveurs, réseaux, applications, bases de données, etc.), indispensables à la bonne conduite de son activité commerciale et industrielle. Une défaillance de l'un de ces systèmes (matériel ou logiciel), ou de l'un des prestataires, des erreurs humaines ou encore des virus informatiques pourraient influencer sur la qualité de service du Groupe.</li> </ul> </li> <li>- Risques de marché <ul style="list-style-type: none"> <li>- Le Groupe est exposé aux risques liés à l'évolution des taux d'intérêt.</li> <li>- La présence internationale du Groupe l'expose au risque de change.</li> <li>- L'exposition du Groupe au risque des marchés actions est essentiellement liée aux actions Schneider Electric S. A. autodétenues.</li> <li>- Le Groupe est exposé à des risques liés à l'évolution du prix de l'énergie et des matières premières, et notamment de l'acier, du cuivre, de l'aluminium, de l'argent, du plomb, du nickel, du zinc et des matières plastiques.</li> <li>- Le Groupe est exposé au risque de contrepartie et au risque de liquidité.</li> </ul> </li> <li>- Risques juridiques <ul style="list-style-type: none"> <li>- Commercialisés dans le monde entier, les produits du Groupe sont soumis à la réglementation de chaque marché national mais également des règlements supranationaux (restrictions commerciales, barrières douanières, régimes fiscaux et normes de sécurité...). Toute modification de ces réglementations ou de ces normes ou de leurs conditions d'application à l'activité du Groupe est susceptible de se traduire par une baisse des ventes ou une augmentation des coûts d'exploitation.</li> <li>- En cas de dysfonctionnement ou de défaut de l'un de ses produits, système solutions, la responsabilité de Schneider Electric pourrait être engagée du fait de préjudices corporels, matériels ou immatériels qui en résulteraient. De même, la responsabilité du Groupe pourrait être mise en cause en cas d'erreur de conception d'un produit, d'un système ou d'une solution ou du fait d'un dysfonctionnement imputable à l'interface avec d'autres produits ou systèmes. Le dysfonctionnement d'un produit d'un système ou d'une solution pourrait impliquer des coûts liés au rappel des produits, entraîner de nouvelles dépenses de développement, et mobiliser des ressources</li> </ul> </li> </ul>
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		<p>techniques et économiques. De tels coûts pourraient avoir un impact significatif sur la rentabilité et la trésorerie du Groupe. La réputation commerciale de Schneider Electric pourrait également être entachée.</p> <ul style="list-style-type: none"> <li>- Le développement et la protection des droits de propriété intellectuelle du Groupe jouent un rôle déterminant dans sa réussite future. En cas de violation de ses droits de propriété intellectuelle par des tiers, le Groupe pourrait être dans l'obligation de mobiliser des ressources importantes pour contrôler, protéger et faire valoir ses droits. L'absence de mesure de protection pourrait mettre en péril l'avantage concurrentiel, voire l'activité du Groupe.</li> </ul>
<b>D.3</b>	<b>Informations clés sur les principaux risques propres aux Titres</b>	<p>Certains facteurs sont susceptibles d'affecter la capacité de l'Emetteur à remplir ses obligations relatives aux Titres devant être émis en vertu du Programme :</p> <ul style="list-style-type: none"> <li>- Risques généraux liés aux Titres tels que : <ul style="list-style-type: none"> <li>- Le marché de négociation peut être volatil et peut être affecté de manière négative par de nombreux événements ;</li> <li>- Un marché de négociation liquide pour les Titres pourrait ne pas se développer ;</li> <li>- Les Titres peuvent faire l'objet d'un remboursement au gré de l'Emetteur ;</li> <li>- S'il a été prévu un remboursement anticipé au gré de l'Emetteur dans les Conditions Définitives pour une émission de Titres donnée, le rendement anticipé par les Porteurs de Titres pourrait être considérablement moins élevé que le montant attendu ;</li> <li>- Les Investisseurs ne seront pas en mesure de calculer par avance leur taux de rendement se rapportant aux Titres à Taux Variable ;</li> <li>- L'exercice d'une option de remboursement par les Porteurs de Titres en cas de changement de contrôle, d'option de remboursement à maturité résiduelle ou de remboursement anticipé au gré de l'Emetteur (<i>make-whole</i>) se rapportant à certains Titres pourrait affecter la liquidité des Titres de la Souche pour lesquels cette option n'est pas exercée ;</li> <li>- Les Titres à coupon zéro sont soumis à des fluctuations de prix plus importantes que celles des obligations sans décote ;</li> <li>- Les taux de change peuvent évoluer de manière significative et il existe un risque que les autorités ayant compétence sur la devise de l'investisseur puissent imposer ou modifier des contrôles de change ;</li> <li>- Fiscalité : Les acheteurs et vendeurs potentiels de Titres devraient être avertis qu'ils pourraient être tenus de payer des impôts ou autres taxes ou droits conformément aux lois et pratiques du pays où les Titres sont transférés ou autres juridictions;</li> <li>- La directive européenne en matière de fiscalité des revenus de l'épargne sous forme de paiements d'intérêts – Conformément aux modalités des Titres (<i>Terms and Conditions of the Notes</i>), si un paiement devait être effectué ou collecté au sein d'un Etat Membre qui a opté pour un système de retenue à la source dans le cadre de ladite directive et qu'un montant est retenu sur ce paiement en tant</li> </ul> </li> </ul>

		<p>qu'impôt, ni l'Emetteur ni aucun agent payeur, ni aucune autre personne ne sera tenu de payer des montants additionnels afférents aux Titres du fait de l'application de cette retenue ou de ce prélèvement à la source;</p> <ul style="list-style-type: none"> <li>- Les notations peuvent ne pas refléter tous les risques ;</li> <li>- Un changement du droit applicable - aucune assurance ne peut être donnée quant à l'impact d'une décision de justice ou d'une modification de la législation française ou d'un changement dans l'application ou l'interprétation de la législation française postérieure à la date du Prospectus de Base ;</li> <li>- La proposition de directive européenne relative à la taxe sur les transactions financières a un champ d'application large et pourrait, si elle était introduite dans son format actuel, s'appliquer à certaines opérations de Titres (notamment les transactions du marché secondaire) dans certaines circonstances;</li> <li>- Risques relatifs aux Titres libellés en RMB : <ul style="list-style-type: none"> <li>- Le RMB n'est pas librement convertible et la liquidité des Titres libellés en RMB pourrait en être négativement affectée ;</li> <li>- Risque de changements relatifs au soutien du gouvernement et au régime réglementaire: Il n'existe aucune certitude qu'à l'avenir le gouvernement de la République populaire de Chine (« <b>RPC</b> ») continuera à libéraliser les transferts RMB transfrontières ;</li> <li>- Risque de devises RMB: Du fait des restrictions imposées par le gouvernement de la PRC sur les flux financiers RMB transfrontières, la disponibilité du RMB à l'extérieur de la RPC est limitée ;</li> <li>- Risque de taux de change RMB : La valeur du RMB contre le dollar de Hong Kong et autres devises étrangères fluctue et est affectée par les changements des conditions politiques internationales et économiques et par de nombreux autres facteurs.</li> </ul> </li> </ul> <p>Un investissement dans les Titres comporte certains risques qui sont importants dans l'évaluation des risques de marché associés aux Titres émis dans le cadre du Programme. Même si tous ces risques constituent des éventualités susceptibles ou non de se produire, les investisseurs potentiels doivent savoir que les risques encourus en investissant dans des Titres peuvent aboutir à une volatilité et/ou une diminution de la valeur de marché de la Tranche de Titres concernée pour laquelle la valeur de marché ne correspond plus aux attentes (financières ou autres) d'un investisseur qui a souscrit ces Titres.</p> <p>Toutefois, chaque investisseur potentiel dans les Titres doit déterminer en se fondant sur son propre jugement et en faisant appel à des conseils professionnels s'il le juge nécessaire, si l'acquisition de Titres est adaptée à ses besoins financiers, ses objectifs et ses conditions, si cette acquisition est conforme et compatible avec toutes les politiques d'investissement, les directives et restrictions qui lui sont applicables et s'il s'agit d'un investissement qui lui convient, malgré les risques évidents et substantiels inhérents à l'investissement et à la détention de Titres.</p>
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<b>Section E – Offre</b>		
<b>E.2b</b>	<b>Raisons de l'offre et utilisation du produit de l'offre</b>	Le produit net de l'émission de chaque Tranche de Titres sera utilisé par l'Émetteur pour ses besoins généraux sauf indication contraire dans les Conditions Définitives concernées.
		<p><b>Résumé spécifique à l'émission :</b></p> <p>[Le produit net de l'émission des Titres sera utilisé par l'Émetteur pour ses besoins généraux /préciser autre]</p>
<b>E.3</b>	<b>Modalités et conditions de l'offre</b>	<p>Les Titres pourront être offerts au public en France et/ou au Grand-Duché de Luxembourg, où le Prospectus de Base a été passeporté, ce qui sera spécifié dans les Conditions Définitives applicables.</p> <p>Il existe certaines restrictions concernant l'achat, l'offre, la vente et la livraison des Titres ainsi qu'à la possession ou la distribution du Prospectus de Base ou de tout autre document d'offre ou des Conditions Définitives.</p> <p>A l'exception de la section A.2 ci-dessus, ni l'Émetteur ni aucun des Agents Placeurs n'a autorisé une quelconque personne à faire une Offre au Public en aucune circonstance et aucune autre personne n'est autorisée à utiliser le Prospectus dans le cadre de ses propres offres de Titres. De telles offres ne seraient pas faites au nom de l'Émetteur ni par aucun des Agents Placeurs ou des Etablissements Autorisés et ni l'Émetteur ni aucun des Agents Placeurs ou des Etablissements Autorisés n'est responsable des actes de toute personne procédant à ces offres.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>[Sans objet, les Titres ne font pas l'objet d'une offre au public.]</p> <p>[Les Titres sont offerts au public [en France]/[au Grand-Duché de Luxembourg]</p> <p>Prix d'Offre : [•]</p> <p>Conditions auxquelles l'Offre est soumise : [Sans objet/[•]]</p> <p>Période d'Offre (y compris les modifications possibles) : [•]</p> <p>Description de la procédure de demande de souscription : [Sans objet/[•]]</p> <p>Informations sur le montant minimum et/ou maximum de souscription : [Sans objet/[•]]</p> <p>Modalités et date de publication des résultats de l'Offre : [Sans objet/[•]]</p>
<b>E.4</b>	<b>Intérêts des personnes morales ou physiques impliquées dans l'émission des Titres</b>	<p>Les Conditions Définitives concernées préciseront les intérêts des personnes morales ou physiques impliquées dans l'émission des Titres.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>[A la connaissance de l'Émetteur, aucune personne participant à l'émission de Titres n'y a d'intérêt significatif.] / [Les Agents Placeurs percevront une commission d'un montant de [•]% du montant en principal des Titres. A la connaissance de l'Émetteur, aucune autre personne participant à l'émission de Titres n'y a d'intérêt significatif.]</p>

<b>E.7</b>	<b>Estimation des dépenses mises à la charge de l'investisseur par l'Émetteur ou l'offreur</b>	<p>Les Conditions Définitives concernées préciseront le cas échéant les estimations des dépenses pour toute Tranche de Titres.</p> <p><i>Résumé spécifique à l'émission :</i></p> <p>[Sans objet / Les dépenses mises à la charge de l'investisseur sont estimées à [●].]</p>
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## **CONDITIONS ATTACHED TO THE CONSENT OF THE ISSUER TO USE THE PROSPECTUS**

In the context of any offer of Notes in France and/or in the Grand Duchy of Luxembourg (the “**Public Offer Jurisdictions**”) that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended, (a “**Public Offer**”), the Issuer consents to the use of this Base Prospectus and the relevant Final Terms (together, the “**Prospectus**”) in connection with a Public Offer of any Notes during the offer period specified in the relevant Final Terms (the “**Offer Period**”) and in the Public Offer Jurisdiction(s) specified in the relevant Final Terms by:

- (1) subject to the conditions set out in the relevant Final Terms, any financial intermediary designated in such Final Terms; or
- (2) if so specified in the relevant Final Terms, any financial intermediary which satisfies the following conditions: (a) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the “**Rules**”), from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential investor; (b) complies with the restrictions set out under “*Subscription and Sale*” in this Base Prospectus which would apply as if it were a Dealer; (c) ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes is fully and clearly disclosed to investors or potential investors; (d) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules; (e) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer(s) and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer(s) in order to enable the Issuer and/or the relevant Dealer(s) to comply with anti-money laundering, anti-bribery and “know your client” rules applying to the Issuer and/or the relevant Dealer(s); (f) does not, directly or indirectly, cause the Issuer or the relevant Dealer(s) to breach any Rule or any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and (g) satisfies any further conditions specified in the relevant Final Terms (in each case an “**Authorised Offeror**”). For the avoidance of doubt, none of the Dealers or the Issuer shall have any obligation to ensure that an Authorised Offeror complies with applicable laws and regulations and shall therefore have no liability in this respect.

The Issuer accepts responsibility, in the Public Offer Jurisdiction(s) specified in the Final Terms, for the content of the Prospectus in relation to any person (an “**Investor**”) in such Public Offer Jurisdiction(s) to whom an offer of any Notes is made by any Authorised Offeror and where the offer is made during the period for which that consent is given. However, neither the Issuer nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The consent referred to above relates to Offer Periods (if any) ending no later than the date falling 12 months from the date of the approval of this Base Prospectus by the AMF.

In the event the Final Terms designate financial intermediary(ies) to whom the Issuer has given its consent to use the Prospectus during an Offer Period, the Issuer may also give its consent to additional Authorised Offerors after the date of the relevant Final Terms and, if it does so, will publish any new information in relation to such Authorised Offerors who are unknown at the time of the approval of this Base Prospectus or the filing of the relevant Final Terms at [www.schneider-electric.com](http://www.schneider-electric.com).

**If the Final Terms specify that any financial intermediary may use the Prospectus during the Offer Period, any such Authorised Offeror is required, for the duration of the Offer Period, to publish on its website that it is using the Prospectus for the relevant Public Offer with the consent of the Issuer and in accordance with the conditions attached thereto.**

Other than as set out above, neither the Issuer nor any of the Dealers has authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any Notes. Any such offers are not made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

**An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price allocations and settlement arrangements (the “Specific Terms of the Public Offer”). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, the Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the time of the Public Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.**

## **RISK FACTORS**

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The risk factors may relate to the Issuer or to any of its subsidiaries.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuer believes that the factors (although not exhaustive) described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties not currently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. In particular, investors should make their own assessment as to the risks associated with the Notes prior to investing in Notes issued under the Programme.*

### **RISK FACTORS RELATING TO THE ISSUER**

**See the 2014 Reference Document pages 35 to 41, as defined and further described under “Documents Incorporated by Reference” in this Base Prospectus.**

### **RISK FACTORS RELATING TO THE NOTES**

#### *Independent Review and Advice*

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and conditions, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A prospective investor may not rely on the Issuer or the Dealer(s) or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

#### *Modification, waivers and substitution*

The conditions of the Notes contain provisions for calling General Meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant General Meeting and Noteholders who voted in a manner contrary to the majority.

### *Potential Conflicts of Interest*

All or some of the Dealers and their affiliates have and/or may in the future engage, in the ordinary course of business, in lending, in investment banking, commercial banking and/or other financial advisory and commercial dealings with the Issuer and their affiliates and in relation to securities issued by any entity of the Group. They have or may, in the ordinary course of their business, (i) engage in investment banking, trading or hedging activities including activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (ii) act as underwriters in connection with offering of shares or other securities issued by any entity of the Group or (iii) act as financial advisers to the Issuer or other companies of the Group. In the context of these transactions, certain of such Dealers have or may hold shares or other securities issued by entities of the Group. Where applicable, they have or will receive customary fees and commissions for these transactions.

The Issuer and the Dealer(s) may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Potential conflicts of interest may arise between the calculation agent, if any, for a Tranche of Notes and the Noteholders, including with respect to certain discretionary determinations and judgements that such calculation agent may make pursuant to the Terms and Conditions that may influence the amount receivable upon redemption of the Notes.

#### *The trading market for debt securities may be volatile and may be adversely impacted by many events.*

The market for debt securities issued by issuers is influenced by global economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in European and other countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that global economic and market conditions will not have any other adverse effect.

#### *An active trading market for the Notes may not develop.*

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. The Issuer and any of its subsidiaries are entitled to buy the Notes, as described in Condition 6(j), and the Issuer may issue further notes, as described in Condition 13. Such transactions may adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

#### *The Notes may be subject to optional redemption by the Issuer.*

Unless in the case of any particular Tranche of Notes the relevant Final Terms specify otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the jurisdiction of the Issuer or a political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

The Issuer has also the option, if so provided in the relevant Final Terms, to redeem the Notes under a make-whole call option as provided in Condition 6(d), a call option as provided in Condition 6(e), a residual maturity call option as provided in Condition 6(g) or a clean-up call option as provided in Condition 6(i).

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. Such right of termination is often provided for bonds or notes in periods of high interest rates. If the market interest rates decrease, the risk to Noteholders that the Issuer will exercise its right of termination increases. As a consequence, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

In particular, with respect to the Clean-Up Call Option, there is no obligation on the Issuer to inform investors if and when the Clean-Up Percentage (as defined in the relevant Final Terms) has been reached or is about to be reached, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the Clean-Up Call Option, the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

*Investors will not be able to calculate in advance their rate of return on Floating Rate Notes.*

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

*Exercise of the Change of Control Put Option, the Residual Maturity Call Option or the Make-Whole Redemption by the Issuer in respect of certain Notes may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised.*

Depending on the number of Notes of the same Series in respect of which the Change of Control Put Option, the Residual Maturity Call Option or the Make-Whole Redemption provided, if any, in the relevant Final Terms is exercised, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid. In addition, investors may only be able to reinvest the moneys they receive upon such early redemption in securities with a lower yield than the redeemed Notes.

*Zero Coupon Notes are subject to higher price fluctuations than non-discounted bonds.*

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

*Exchange rate risks and exchange controls.*

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in the relevant Final Terms). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes

due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal at all.

### *Taxation*

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial obligations such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus and/or in the Final Terms but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus and the additional tax sections, if any, contained in the relevant Final Terms.

### *EU Savings Directive*

On 3 June 2003, the European Council of Economics and Finance Ministers adopted a directive 2003/48/EC regarding the taxation of savings income in the form of interest payments (the "**Savings Directive**"). The Savings Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident in that other Member State, or certain types of entities called "residual entities" established in that other Member State. However, for a transitional period, Austria is instead required (unless during that period it elects otherwise) to withhold an amount on interest payments unless the relevant beneficial owner of such payment elects otherwise and authorises the paying agent to disclose the above information (see "Taxation – EU Taxation") (the ending of such transitional period being dependant upon the conclusion of certain other agreements relating to information exchange with certain other countries). The rate of this withholding tax is currently 35 per cent. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). Luxembourg operated such a withholding system until 31 December 2014, but the Luxembourg government has elected out of the withholding system in favour of automatic exchange of information with effect from 1 January 2015.

Pursuant to the Terms and Conditions of the Notes, if a payment were to be made or collected through a Member State which has opted for a withholding system under the Savings Directive and an amount of, or in respect of, tax is withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on a payment made by a Paying Agent under the Savings Directive, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

On 24 March 2014, the Council of European Union adopted a directive amending the Savings Directive, which when implemented, will amend and broaden the scope of the requirements described above. In particular, the amending directive aims at extending the scope of the Savings Directive to new types of savings income and products that generate interest or equivalent income. In addition, tax authorities will be

required in certain circumstances to take steps to identify the beneficial owner of interest payments (through a look through approach). The Member States will have until 1 January 2016 to adopt the national legislation necessary to comply with this amending directive and are required to apply these new requirements from 1 January 2017.

Furthermore, the Council of the European Union gave a mandate to the European Commission to negotiate amended savings tax agreements with Switzerland, Liechtenstein, Monaco, Andorra and San Marino to ensure that these five countries continue to apply measures that are equivalent to the Savings Directive, as amended. In March 2014, the European Council asked the European Commission to continue the negotiations with a view to concluding them until the end of year 2014. The negotiations are still ongoing.

On 14 October 2014, the Council of the European Union agreed on a draft European Council Directive extending the scope for the mandatory automatic exchange of information between tax administrations, in the form of an amendment to the existing European Council Directive 2011/16/EU on administrative cooperation in the field of direct taxation.

On 9 December 2014, the Council of the European Union adopted the European Council Directive 2014/107/EU (the “**DAC**”) amending the existing European Council Directive 2011/16/EU on administrative cooperation. The DAC brings interest, dividends and other income, as well as account balances and sales proceeds from financial assets, within the scope of the automatic exchange of information and intends to mirror the global standard of automatic information exchange agreed by the G20. Member States will have to begin the automatic exchange of information under the DAC no later than end of September 2017. The DAC entered into on 5 January 2015. Member States shall adopt and publish by 31 December 2015, their local laws, regulations and administrative provisions necessary to comply with the DAC and apply it as from 1 January 2016. Given that the DAC covers a wide scope of income and capital, including most of that covered by the Savings Directive, the Commission, as requested by the Council of the European Union, previously stated that they will now consider the repeal of the Savings Directive. However, depending on the timing of events, there may be a period where institutions need to report the same income under both directives.

Investors should inform themselves of, and where appropriate take advice on, the impact of the Savings Directive and the amending directive on their investment. See also “Taxation - EU Directive on the Taxation of Savings Income”.

#### *The proposed financial transactions tax (“**FTT**”)*

On 14 February 2013, the European Commission has published a proposal for a Directive for a common FTT in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the “**Participating Member States**”).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The FTT would impose a charge at generally not less than 0.1 per cent. of the sale price on such transactions. Primary market transactions referred to in Article 5(c) of regulation (EC) No 1287/2006 are exempt.

Under the current proposals, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, “established” in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

On 6 May 2014, the presidency of the Council of the European Union confirmed that all relevant issues will continue to be examined by national experts. It noted the intention of the Participating Member States to work on a progressive implementation of the FTT, focusing initially on the taxation of shares and some derivatives. The first steps would be implemented at the latest on 1 January 2016.

On 31 October 2014 and 4 December 2014 the President of the Council of the European Union issued reports addressed to such Council on the progress that has been made in relation to the project of introducing the FTT in the Participating Member States since the ECOFIN Council Meeting held on 6 May 2014. These reports include, inter alia, proposals for: (i) an exemption for transactions in listed shares of smaller companies which fall below a market capitalization threshold calculated by reference to the Participating Member State in question; and (ii) the ability for Participating Member States to opt to tax transactions in non-listed shares of companies located in their jurisdiction (which would otherwise fall outside the FTT regime), marking progress towards introducing the tax on share transactions initially. However, they acknowledge no consensus among Participating Member States on the types of derivatives which would fall within the FTT or on the application of the key “issuance” and “residence” principles in the collection of the FTT and in revenue allocation between Participating Member States.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional Member States may decide to participate. If the proposed directive or any similar tax were adopted, transactions in the Notes would be subject to higher costs, and the liquidity of the market for the Notes may be diminished. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

#### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. The rating reflects the possibility of default of the Issuer of the Notes as judged by the credit rating agencies.

#### *Change of Law*

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Base Prospectus.

#### *French insolvency law*

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the “**Assembly**”) in order to defend their common interests if an accelerated safeguard procedure (*procédure de sauvegarde accélérée*), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), a safeguard procedure (*procédure de sauvegarde*), or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer. The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (EMTN) and regardless of their governing law. The Assembly deliberates on the proposed accelerated safeguard plan (*projet de plan de sauvegarde accélérée*), proposed accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*), proposed safeguard plan (*projet de plan de sauvegarde*), proposed judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing off receivables in form of debt securities;



- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required to convoke the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in this Base Prospectus will not be applicable to the extent they are not in compliance with compulsory insolvency law provisions that apply in these circumstances.

### ***Risks related to RMB Notes***

Notes denominated in RMB (“**RMB Notes**”) may be issued under the Programme. RMB Notes contain particular risks for potential investors.

#### *RMB is not freely convertible and the liquidity of the Notes denominated in RMB may be adversely affected*

RMB is not freely convertible at present. The PRC government continues to regulate conversion between RMB and foreign currencies. The People’s Bank of China (“**PBOC**”) has established RMB clearing and settlement systems for certain locations pursuant to settlement agreements relating to the clearing of RMB business between PBOC and certain clearing banks. However, the current size of RMB and RMB denominated financial assets outside the PRC remains limited, and its growth is subject to many constraints which are directly affected by PRC laws and regulations on foreign exchange and may adversely affect the liquidity of Notes denominated in RMB.

#### *Risk of change in government support and regulatory regime*

There can be no assurance that the PRC government will continue to gradually liberalise its control over cross-border Renminbi remittances in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that the Issuer is not able to repatriate funds outside the PRC in Renminbi, the Issuer will need to source Renminbi offshore to finance its obligations under the RMB Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

#### *RMB currency risk*

Except in limited circumstances and unless otherwise specified, all payments of RMB under Notes denominated in RMB to an investor will be made solely by transfer to a RMB bank account maintained in Hong Kong by such investor in accordance with the prevailing rules and regulations and in accordance with the terms and conditions of the Notes. The Issuer cannot be required to make payment by any other means (including in bank notes or by transfer to a bank account in the PRC or anywhere else outside Hong Kong). RMB is not freely convertible at present, and conversion of RMB into other currencies is subject to certain restrictions. In particular, for personal investors, currently conversions of RMB conducted through RMB deposit accounts may be subject to a daily limit, and investors may have to allow time for conversion of RMB from/to another currency of an amount exceeding such daily limit.

In addition, there can be no assurance that access to RMB for the purposes of making payments under such Notes or generally may remain or will not become restricted. If it becomes impossible to convert RMB from/to another freely convertible currency, or transfer RMB between accounts in Hong Kong, or the general RMB exchange market in Hong Kong becomes illiquid, any payment of RMB under the Notes may be

delayed or the Issuer may make such payments in another currency selected by the Issuer using an exchange rate determined by the Calculation Agent, or the Issuer may redeem the Notes by making payment in another currency.

*RMB exchange rate risk*

The value of RMB against foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. The Issuer will make all RMB payments under Notes denominated in RMB in RMB (subject to the second paragraph under the heading “RMB currency risk” above). As a result, the value of such payments in RMB (in foreign currency terms) may vary with the prevailing exchange rates in the marketplace. If the value of RMB depreciates against any foreign currencies, the value of an investor’s investment in such applicable foreign currency terms will decline.

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the sections set out in the cross-references tables below from the following documents which have been filed with the AMF:

- the pages referred to in the table below which are included in the *document de référence* in the French language of the Issuer which received n° D.15-0169 from the AMF on 19 March 2015, except for the third paragraph of the section “*Responsables du document de référence*” on page 264 (the “**2014 Reference Document**”);
- the pages referred to in the table below which are included in the *document de référence* in the French language of the Issuer which received n° D.14-0175 from the AMF on 20 March 2014, except for the third paragraph of the section “*Responsables du document de référence*” on page 327 (the “**2013 Reference Document**”);
- the pages referred to in the table below which are included in the Issuer's interim financial report in French language for the six-month period ended 30 June 2015, dated 29 July 2015 (the “**2015 Half-Year Financial Report**”); and
- the terms and conditions of the notes contained in the base prospectuses of the Issuer dated, respectively, 15 July 2014 (the “**2014 EMTN Conditions**”), 25 June 2013 (the “**2013 EMTN Conditions**”), 25 June 2012 (the “**2012 EMTN Conditions**”), 24 June 2011 (the “**2011 EMTN Conditions**”), 24 June 2010 (the “**2010 EMTN Conditions**”), 19 June 2009 (the “**2009 EMTN Conditions**”), 22 May 2008 (the “**2008 EMTN Conditions**”), 21 May 2007 (the “**2007 EMTN Conditions**”), (together with the 2008, 2009, 2010, 2011, 2012, 2013 and 2014 EMTN Conditions, the “**EMTN Previous Conditions**”).

Any reference in this Base Prospectus, in the 2014 Reference Document or in the 2013 Reference Document to the registration documents and/or annual reports (either 2014 or 2013) shall be deemed to exclude the above-mentioned excluded sections.

Any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained, free of charge, from (i) the registered office of the Issuer, (ii) the website of the Issuer ([www.schneider-electric.com](http://www.schneider-electric.com)) and/or (iii) at the offices of each Paying Agent set out at the end of this Base Prospectus during normal business hours.

The 2014 Reference Document and the 2013 Reference Document are available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)).

The information incorporated by reference in this Base Prospectus shall be read in connection with the cross-reference list below.

Any information not listed in the cross-reference list below but included in the documents incorporated by reference shall not form part of this Base Prospectus and is not relevant for investors.

The English Translation of the 2013 Reference Document, the 2014 Reference Document and the 2015 Half-Year Financial Report are available on the website of the Issuer (<http://www2.schneider->

electric.com/sites/corporate/en/finance/presentations/annual-reports.page). Such English translations are available for information purposes only and are not incorporated by reference in this Base Prospectus. Only the French versions of the 2013 Reference Document, the 2014 Reference Document and the 2015 Half-Year Financial Report may be relied upon.

<b>Annexes IV and IX of the European Regulation – 809/2004/EC of 29 April 2004</b>	<b>2013 Reference Document</b>	<b>2014 Reference Document</b>	<b>2015 Half-Year Financial Report (unaudited)</b>
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The EMTN Previous Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of Notes to be assimilated (*assimilées*) and form a single series with Notes already issued with the relevant EMTN Previous Conditions.

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<b>EMTN Previous Conditions</b>	
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Information contained in the Documents Incorporated by Reference other than information listed in the table above is for information purposes only.

## **SUPPLEMENT TO THE BASE PROSPECTUS**

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to Article 212-25 of the General Regulation (*Règlement Général*) of the AMF implementing the provisions of Article 16 of the Prospectus Directive, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus or a restated Base Prospectus, which shall constitute a supplement to this Base Prospectus for the purpose of the relevant provisions of the Prospectus Directive.



## TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes. In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed by the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on Definitive Materialised Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. Those definitions will be endorsed on the definitive Notes, as the case may be. References in these Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

An Amended and Restated Agency Agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 31 July 2015 has been agreed between Schneider Electric SE (the “**Issuer**”), BNP Paribas Securities Services as fiscal agent and the other agents named in it. The fiscal agent, the paying agents, and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), and the “**Calculation Agent(s)**”. Copies of the Agency Agreement are available for inspection at the specified offices of each of the Paying Agents.

References below to “**Conditions**” are, unless the context requires otherwise, to the numbered paragraphs below. References below to “**day**” or “**days**” are to a calendar day or to calendar days, respectively.

### 1 Form, Denomination and Title

#### (a) Form

Notes may be issued either in dematerialised form (“**Dematerialised Notes**”) or in materialised form (“**Materialised Notes**”).

- (i) Title to Dematerialised Notes will be evidenced in accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier* (the “**Code**”) by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the Code) will be issued in respect of Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer and as specified in the relevant Final Terms (the “**Final Terms**”), in either (i) bearer dematerialised form (*au porteur*) only, in which case they are inscribed in the books of Euroclear France S.A. (acting as central depository) (“**Euroclear France**”) which shall credit the accounts of Account Holders, or (ii) in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or the Registration Agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the “**Registration Agent**”).

Unless such right is expressly excluded in the relevant Final Terms, the Issuer may require the identification of the Noteholders.

For the purpose of these Conditions, “**Account Holder**” means any authorised financial intermediary institution entitled directly or indirectly to hold accounts on behalf of its

customers with Euroclear France, and includes Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depository bank for Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”).

- (ii) Materialised Notes are issued in bearer form (“**Materialised Notes**”) in the Specified Denomination(s) shown in the relevant Final Terms. Materialised Notes are serially numbered and are issued with coupons (“**Coupons**”) (and, where appropriate, a talon (“**Talon**”)) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

In accordance with Articles L.211-3 and R.211-1 of the Code, securities (such as Notes) which are governed by French law and are in materialised form must be issued outside the French territory.

**(b) Denomination**

Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the “**Specified Denomination(s)**”) save that the minimum denomination of each Note that are offered to the public and/or admitted to trading on a Regulated Market in a Member State of the European Economic Area (“**EEA**”) in circumstances which require the publication of a Base Prospectus under the Prospectus Directive will be at least such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. Dematerialised Notes shall be issued in one Specified Denomination only.

**(c) Title**

- (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or of the Registration Agent.
- (ii) Title to Materialised Notes in definitive form having, where appropriate, Coupons and/or a Talon attached thereto on issue (“**Definitive Materialised Notes**”), shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
- (iv) In these Conditions, “**holder of Notes**”, “**holder of any Notes**” or “**Noteholder**” means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Note, and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

**(d) Redenomination**

The Issuer may (if so specified in the relevant Final Terms), without the consent of the holder of any Note, Coupon or Talon, by giving at least 30 days' notice in accordance with Condition 14, redenominate, on any Interest Payment Date all, but not some only, of the Notes of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly on or after the date on which the Member State of the European Union in whose national currency such Notes are denominated has become a participant member in the third stage of the European economic and monetary union (as provided in the Treaty establishing the European Community (the "EC"), as amended from time to time), or events have occurred which have substantially the same effects all as more fully provided in the relevant Final Terms.

**2 Conversion and Exchange of Notes**

**(a) Dematerialised Notes**

- (i) Dematerialised Notes issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*).
- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and *vice versa*. The exercise of any such option by such Noteholder shall be made in accordance with Article R.211-4 of the Code. Any such conversion shall be effected at the cost of such Noteholder.

**(b) Materialised Notes**

Materialised Notes of one Specified Denomination may not be exchanged for Materialised Notes of another Specified Denomination.

**3 Status of Notes**

Notes and, where applicable, the Coupons relating to them, constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law), equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

**4 Negative Pledge**

So long as any of the Notes or, if applicable, any Coupons relating to them, remain outstanding (as defined below), the Issuer will not, and will ensure that none of its Principal Subsidiaries (as defined below) will, create or permit to subsist any mortgage, lien, charge, pledge or other form of security interest (*sûreté réelle*) ("Security") upon any of their respective assets or revenues, present or future, to secure (i) any Relevant Debt (as defined below) or (ii) any guarantee or indemnity in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer's obligations under the Notes are equally and rateably secured therewith, except for any Security created by the Issuer over any equity share capital acquired by the Issuer in any company resulting in that company becoming a majority-owned subsidiary of the Issuer after the issue of the Notes for

the sole purpose of financing that acquisition and securing principal moneys not exceeding the cost of that acquisition.

For the purposes of this Condition:

- (i) “**Principal Subsidiary**” means at any relevant time a Subsidiary of the Issuer:
  - (a) whose net operating income is at least 10 per cent. of the consolidated net operating income of the Issuer and its consolidated subsidiaries (the “**Consolidated Group**”) or whose total assets amount to at least 10 per cent. of the total consolidated assets of the Consolidated Group, in each case calculated by reference to the latest audited consolidated accounts of the Issuer.
  - (b) to which is transferred all or substantially all the assets and undertakings of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary.
- (ii) “**Relevant Debt**” means any present or future indebtedness for borrowed money in the form of, or represented by, bonds (obligations) which are for the time being, or are capable of being, quoted, admitted to trading or ordinarily dealt in on any stock exchange, over-the-counter market or other securities market.
- (iii) “**Subsidiary**” means, in relation to any person or entity at any time, any other person or entity (whether or not now existing) as defined in Article L.233-1 of the French Code de commerce or any other person or entity controlling directly or indirectly such person or entity within the meaning of Article L.233-3 of the French Code de commerce.
- (iv) “**outstanding**” means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in respect of Dematerialised Notes in bearer form or in administered registered form, to the relevant Account Holders on behalf of the Noteholder as provided in Condition 7(a), (ii) in the case of Dematerialised Notes in fully registered form, to the account of the Noteholder as provided in Condition 7(a) and (iii) in the case of Materialised Notes, to the Fiscal Agent as provided in the Agency Agreement and remain available for payment against presentation and surrender of Materialised Notes and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in these Conditions, (e) in the case of Materialised Notes (i) those mutilated or defaced Materialised Notes that have been surrendered in exchange for replacement Materialised Notes, (ii) (for the purpose only of determining how many such Materialised Notes are outstanding and without prejudice to their status for any other purpose) those Materialised Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Materialised Notes have been issued, and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Materialised Notes, pursuant to its provisions

## 5 Interest and Other Calculations

### (a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

**(b) Interest on Floating Rate Notes:**

- (i) Interest Payment Dates: Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) Business Day Convention: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:
  - (A) the Floating Rate Business Day Convention or “**FRN Convention**”, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment,
  - (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day,
  - (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought to the immediately preceding Business Day or
  - (D) the Preceding Business Day Convention, such date shall be brought to the immediately preceding Business Day.
- (iii) Rate of Interest for Floating Rate Notes: the Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.
  - (A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the relevant Final Terms;
- (y) the Designated Maturity is a period specified in the relevant Final Terms; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period or such other date as specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

- (a) Where Screen Rate Determination is specified in the relevant Final Terms as the manner according to which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (i) the offered quotation or
- (ii) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either (i) 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) or (ii) if otherwise, the Relevant Screen Page Time on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (b) if the Relevant Screen Page is not available or if sub-paragraph (a)(i) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (a)(ii) applies and fewer than three such offered quotations appear on the Relevant Screen Page, subject as provided below, the Calculation Agent shall request, (i) if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, (ii) if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, (iii) if otherwise, each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if otherwise, at the Relevant Screen Page Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum

(expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if otherwise, at the Relevant Screen Page Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if otherwise, the Relevant Inter-Bank Market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if otherwise, at the Relevant Screen Page Time, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, if the Reference Rate is EURIBOR, the Euro zone inter-bank market or, if otherwise, the Relevant Inter-Bank Market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Rate Multiplier or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) Linear Interpolation

Where Linear Interpolation is specified in the relevant Final Terms to be applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where “Screen Rate Determination” is specified to be applicable in the relevant Final Terms) or the relevant Floating Rate Option (where “ISDA Determination” is specified to be applicable in the relevant Final Terms), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available the next longer than the length of the relevant Interest Accrual Period, provided however, that if there is no such rate available for a period of time shorter or, as the case may be, longer than the relevant Interest Accrual Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“**Applicable Maturity**” means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

**(c) Zero Coupon Notes**

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(b)(i)).

**(d) Accrual of Interest**

Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgement) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

**(e) Margin, Maximum/Minimum Rates of Interest and Redemption Amounts, Rate Multipliers and Rounding**

- (i) If any Margin or Rate Multiplier is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions, (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes “**unit**” means the lowest amount of such currency that is available as legal tender in the country/ies of such currency.

**(f) Calculations**

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period in the Final Terms, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.



**(g) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts**

As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or any Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are admitted to trading on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the second Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

**(h) Definitions**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of a currency other than Euro or RMB, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in relation to any sum payable in RMB, a day on which commercial banks and foreign exchange markets settle payments in RMB in Hong Kong and in the relevant Business Centre(s) (if any); and/or
- (iii) in the case of Euro, a day on which the TARGET system is operating (a “**TARGET Business Day**”); and/or
- (iv) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period, the “Calculation Period”):

- (i) if “**Actual/Actual**” or “**Actual/Actual - ISDA**” or “**Act/Act**” or “**Act/Act - ISDA**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**Actual/Actual ICMA**” is specified in the relevant Final Terms:
  - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
  - (b) if the Calculation Period is longer than one Determination Period, the sum of:
    - (x) the number of days in such Calculation Period falling in the next Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year;
    - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,
 where:
 

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date specified herein or, if none is so specified, the Interest Payment Date.

- (v) if “**30/360**” or “**360/360 (Bond Basis)**” is specified in the relevant Final Terms, the number of days in the Calculation Period by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30

- (vii) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30

“**Effective Date**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Final Terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

“**Euro-zone**” means the region comprised of member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the EC as amended.

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“**Interest Amount**” means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be.

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Final Terms.

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period or the interest amount in relation to RMB Notes, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro.

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“**Interest Period Date**” means each Interest Payment Date.

“**ISDA Definitions**” means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.

“**Page**” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 (“**Reuters**”)) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

“**Rate of Interest**” means the rate of interest payable from time to time in respect of any particular Note and that is specified in the relevant Final Terms.

“**Reference Banks**” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market or, if otherwise, the principal offices of five major banks in the Relevant Inter-Bank Market, in each case selected by the Calculation Agent or as specified in the relevant Final Terms.

“**Relevant Financial Centre**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, London.

“**Relevant Inter-Bank Market**” means such intra-bank market as may be specified in the relevant Final Terms.

“**Relevant Rate**” means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms.

“**Relevant Screen Page Time**” means such time as may be specified in the relevant Final Terms.

“**Relevant Time**” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre or, if no such customary local time exists, 11.00 hours in the Relevant Financial Centre and, for the purpose of this definition, “**local time**” means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, Brussels Time.

“**Representative Amount**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the relevant Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

“**RMB Note**” means a Note denominated in RMB.

“**Specified Currency**” means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated.

“**Specified Duration**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(b)(ii).

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

**(i) Calculation Agent and Reference Banks**

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined in the Agency Agreement). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid and notice of any such change of Calculation Agent shall promptly be given to the Noteholders in accordance with Condition 14 below.

**(j) RMB Notes:**

Notwithstanding the foregoing, each RMB Note which is a Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate per annum equal to the Rate of Interest. For the purposes of calculating the amount of interest, if any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which case it shall be brought forward to the immediately preceding Business Day. Interest will be payable in arrear on each Interest Payment Date.

The Calculation Agent will, as soon as practicable after the Relevant Time as specified in the relevant Final Terms on each Interest Determination Date, calculate the amount of interest payable per Specified Denomination for the relevant Interest Period. The determination of the amount of interest payable per Specified Denomination by the Calculation Agent shall (in the absence of manifest error and after confirmation by the Issuer) be final and binding upon all parties.

The Calculation Agent will cause the amount of interest payable per Specified Denomination for each Interest Period and the relevant Interest Payment Date to be notified to each of the Paying Agents and to be notified to Noteholders as soon as possible after their determination but in no event later than the fourth Business Day thereafter. The amount of interest payable per Specified Denomination and Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest per Specified Denomination shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this provision but no publication of the amount of interest payable per Specified Denomination so calculated need be made.

Interest shall be calculated in respect of any period by applying the Rate of Interest to the Specified Denomination, multiplying such product by the actual number of days in the relevant Interest Period or, as applicable, other period concerned and dividing it by 365, and rounding the resultant figure to the nearest RMB sub-unit, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

## 6 Redemption, Purchase and Options

### (a) Final Redemption

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount).

### (b) Early Redemption:

#### (i) Zero Coupon Notes:

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Nominal Amount (calculated as provided below) of such Note.
- (B) Subject to the provisions of sub-paragraph (C) below, the “**Amortised Nominal Amount**” of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgement) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Final Terms.

- (ii) **Other Notes:** The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount.

**(c) Redemption for Taxation Reasons:**

- (i) If, by reason of any change in, or any change in the official application or interpretation of, the law of a Relevant Jurisdiction (as defined below), becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8 below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than 45 nor less than 30 days' prior notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 14, redeem all, but not some only, of the Notes at their Redemption Amount together with any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for such additional amounts.
- (ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by the law of a Relevant Jurisdiction from making payment to the Noteholders or, if applicable, Couponholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8 below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 14, redeem all, but not some only, of the Notes then outstanding at their Redemption Amount together with any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified on this Note, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or Coupons or, if that date is passed, as soon as practicable thereafter.

“**Relevant Jurisdiction**” means the Republic of France or any other jurisdiction in which the Issuer, or its successor, is or becomes organized or resident for tax purposes, or any political subdivision or taxing authority in, or of, any of the foregoing.

**(d) Make-Whole Redemption by the Issuer:**

If a Make-Whole Redemption by the Issuer is specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 14 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms), have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to their Maturity Date (the “**Optional Redemption Date**”) at their Optional Redemption Amount. The Optional Redemption Amount will be calculated by the Calculation Agent and will be the greater of (x) 100 per cent. of the nominal amount of the Notes so redeemed and, (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (not including any interest accrued on the Notes to, but excluding, the relevant Optional Redemption Date) discounted to the relevant Optional Redemption Date on an annual basis at the Redemption Rate plus a



Redemption Margin (as specified in the relevant Final Terms), plus in each case (x) or (y) above, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

The “**Redemption Rate**” is the average of the four quotations (eliminating the highest quotation (or, in the event of equality, one of the highest quotations) and the lowest quotation (or in the event of equality, one of the lowest quotations)) given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Security (as specified in the relevant Final Terms) on the fourth business day preceding the Optional Redemption Date at 11.00 a.m. (Central European time (CET)).

“**Reference Dealers**” means each of the four banks selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues or as specified in the relevant Final Terms.

If the Reference Security is no longer outstanding, a Similar Security specified in the Final Terms, will be chosen by the Calculation Agent at 11.00 a.m. (Central European time (CET)) on the third business day in London preceding the Optional Redemption Date, quoted in writing by the Calculation Agent to the Issuer and notified in accordance with Condition 14.

The Redemption Rate will be notified by the Issuer in accordance with Condition 14.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

In the case of a partial redemption of, or a partial exercise of the Issuer’s option in respect of, Materialised Notes, the notice to holders of such Materialised Notes shall also contain the numbers of the Definitive Materialised Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances and taking account of prevailing market practices, subject to compliance with any applicable laws and requirements of the Regulated Market on which the Notes are admitted to trading.

In the case of a partial redemption of, or a partial exercise of the Issuer’s option in respect of, Dematerialised Notes, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes of any Series that will not be redeemed shall be made in accordance with Article R.213-16 of the Code, subject to compliance with any other applicable laws and requirements of the Regulated Market on which the Notes are admitted to trading. In no event, the outstanding nominal amount of each Note following such reduction shall be below any amount which would prevent the Issuer from choosing its home Member State (as such term is defined in the Prospectus Directive).

Any notice given by the Issuer pursuant to this Condition 6(d) shall be deemed void and of no effect in relation to any Note in the event that, prior to the giving of such notice by the Issuer, the relevant Noteholder had already delivered an Exercise Notice in relation to such Note in accordance with Condition 6(f) below.

So long as the Notes are admitted to trading on a Regulated Market and the rules of that stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in accordance with Articles 221-3 and 221-4 of the General Regulation (*Règlement Général*) of the AMF and on the website of any other competent authority

and/or Regulated Market where the Notes are admitted to trading, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes a list of any Definitive Materialised Notes drawn for redemption but not surrendered.

**(e) Redemption at the Option of the Issuer and Exercise of Issuer's Options and Partial Redemption**

If Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem, or exercise any Issuer's Option (as may be described in the relevant Final Terms) in relation to, all or, if so provided, some, of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified in the relevant Final Terms and no greater than the maximum nominal amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's Option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's Option in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the certificate numbers of the Definitive Materialised Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements.

In the case of a partial redemption of or a partial exercise of an Issuer's option in respect of Dematerialised Notes of any Series, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes that will not be redeemed shall be made in accordance with Article R.213-16 of the Code and the provisions of the relevant Final Terms, subject to compliance with any other applicable laws and stock exchange requirements.

So long as the Notes are admitted to trading on a Regulated Market and the rules of that stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in accordance with Articles 221-3 and 221-4 of the General Regulation (*Règlement Général*) of the AMF and on the website of any other competent authority and/or Regulated Market where the Notes are admitted to trading, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes a list of any Definitive Materialised Notes drawn for redemption but not surrendered.

**(f) Redemption at the Option of Noteholders and Exercise of Noteholders' Options**

If Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option or any other Noteholders' Option that may be set out in the relevant Final Terms (which must be exercised on an Option Exercise Date) the holder must deposit with any Paying Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent within the notice period. In the case of Materialised Notes, the Exercise Notice shall have attached to it the relevant Notes (together with all unmatured Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Fiscal Agent or the Paying Agent with a specified office in Paris as specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred, may be withdrawn without the prior consent of the Issuer.

**(g) Residual Maturity Call Option**

If a Residual Maturity Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 14 to the Noteholders redeem the Notes, in whole or in part, at par together with interest accrued to, but excluding, the date fixed for redemption, which shall be no earlier than (i) three months before the Maturity Date in respect of Notes having a maturity of not more than seven years or (ii) six months before the Maturity Date in respect of Notes having a maturity of more than seven years, until the Maturity Date.

For the purpose of the preceding paragraph, the maturity of not more than seven years or the maturity of more than seven years shall be determined as from the Issue Date of the first Tranche of the relevant Series of Notes.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the relevant provisions of Condition 6(d) shall apply *mutatis mutandis* to this Condition 6(g).

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

**(h) Redemption at the Option of Noteholders following a Change of Control**

If Change of Control Put Option is specified in the relevant Final Terms, and if at any time while any such Note remains outstanding there occurs a Change of Control of the Issuer and within the Change of Control Period a Rating Downgrade occurs as a result of that Change of Control or as a result of a Potential Change of Control (a "**Put Event**"), then the holder of such Note will have the option (the "**Change of Control Put Option**") (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem such Note under Condition 6(c)) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of that Note on the Optional Redemption Date (all as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date.

A "**Change of Control**" shall be deemed to have occurred at each time that any person or persons acting in concert come(s) to own or acquire(s) (i) more than 50 per cent. of the issued share capital of the Issuer or (b) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights.

**“Change of Control Period”** means:

- (i) pursuant to a Change of Control, the period commencing on the date of the public announcement of the result (*avis de résultat*) by the *Autorité des marchés financiers* (the “**AMF**”) of the relevant Change of Control and ending on the date which is 90 days (inclusive) after the date of the public announcement by the AMF of the relevant Change of Control provided that (a) a Rating Downgrade occurs during that period and (b) such Rating Downgrade results from a Change of Control; or
- (ii) pursuant to a Potential Change of Control, the period commencing 180 days prior to the date of the public announcement of the result (*avis de résultat*) by the AMF of the relevant Change of Control and ending on the date of such announcement (inclusive) provided that (a) a Rating Downgrade occurs during that period and (b) such Rating Downgrade results from a Potential Change of Control.

**“Rating Agency”** means S&P or any other rating agency of equivalent international standing requested from time to time by the Issuer to grant a rating to the Notes and, in each case, their respective successors or affiliates.

A **“Rating Downgrade”** shall be deemed to have occurred in respect of a Change of Control or in respect of a Potential Change of Control if within the Change of Control Period:

(A) the rating previously assigned to the Notes by any Rating Agency is (x) withdrawn or (y) changed from an investment grade rating (BBB-, or its respective equivalents for the time being, or better) to a non-investment grade rating (BB+, or their respective equivalents for the time being, or worse) or (z) if the rating previously assigned to the Notes by any Rating Agency was below an investment grade rating (as described above), lowered by at least one full rating notch, or

(B) the Notes have no credit rating, and no Rating Agency assigns within the Change of Control Period an investment grade credit rating to the Notes, unless the Issuer has a credit rating from a Rating Agency, in which case paragraph (A) shall apply to the credit rating assigned to the Issuer by any Rating Agency; and

provided that (i) a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control or Potential Change of Control, as the case may be, if the Rating Agency making the change in rating does not publicly announce or publicly confirm that the reduction was the result of the Change of Control or the Potential Change of Control, as the case may be, and (ii) any Rating Downgrade has to be confirmed in a letter, or other form of written communication, sent to the Issuer and publicly disclosed.

**“Potential Change of Control”** means any public announcement or statement by the Issuer, any actual or potential bidder relating to any potential Change of Control of the Issuer.

As soon as the Rating Agency authorises the Issuer to disclose the Rating Downgrade, the Issuer becoming aware that a Put Event has occurred shall promptly give notice (a **“Put Event Notice”**) to the Noteholders in accordance with Condition 14 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option to require redemption or, as the case may be, purchase of a Note following a Put Event, the holder of that Note must in the case of Dematerialised Notes, transfer or cause to be transferred or, in the case of Materialised Notes, deposit or cause to be deposited such Note (together, if applicable, with all unmatured Coupons and unexchanged Talons) with any Paying Agent at its specified office within the period (the **“Put Period”**) of 45 days after the Put Event

Notice is given together with a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (as applicable) (a “**Put Option Notice**”) and in which the holder may specify a bank account to which payment is to be made.

The Issuer shall redeem or, at the option of the Issuer, procure the purchase of, the Notes in respect of which the Change of Control Put Option has been validly exercised as provided above, and subject to the transfer of such Notes to the account of the relevant Paying Agent for the account of the Issuer as described above on the date which is the fifth Business Day following the end of the Put Period (the “**Optional Redemption Date**”). Payment in respect of any Note so transferred will be made in Euro to the holder to the specified Euro-denominated bank account in the Change of Control Put Option Notice on the Optional Redemption Date via the relevant Paying Agent.

**(i) Clean-Up Call Option**

If a Clean-Up Call Option is specified in the relevant Final Terms and if 80 per cent. or any other percentage above as specified in the relevant Final Terms (the “**Clean-Up Percentage**”) of the initial aggregate nominal amount of Notes of the same Series have been redeemed or purchased and, in each case, cancelled, the Issuer may, on giving not less than 15 nor more than 30 days’ irrevocable notice in accordance with Condition 14 to the Noteholders redeem the Notes, in whole but not in part, at the Early Redemption Amount together with interest accrued to, but excluding, the date fixed for redemption.

**(j) Purchases**

The Issuer and any of its Subsidiaries may at any time purchase Notes (provided that, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Unless the possibility of holding and reselling is expressly excluded in the Final Terms, all Notes so purchased by the Issuer may be held and resold in accordance with applicable French laws and regulations.

**(k) Cancellation**

All Notes purchased by or on behalf of the Issuer for cancellation or any of its Subsidiaries will forthwith be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Notes, by surrendering each such Materialised Note together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

**(l) Illegality**

If, by reason of any change in French law or any change in the official application of such law, becoming effective after the Issue Date, it becomes unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes, the Issuer will, subject to having given not more than 45 nor less than 30 days’ notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption.

## 7 Payments and Talons

### (a) Dematerialised Notes

Payments of principal and interest in respect of Dematerialised Notes shall be made (i) in the case of Dematerialised Notes in bearer dematerialised form or administered registered dematerialised form, by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the relevant Noteholder and (ii) in the case of Dematerialised Notes in fully registered form, to an account denominated in the relevant currency with a Bank designated by the relevant Noteholder. All payments validly made to such Account Holders will constitute an effective discharge of the Issuer in respect of such payments.

### (b) Materialised Notes

Payments of principal and interest in respect of Materialised Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Materialised Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(v)) or Coupons (in the case of interest, save as specified in Condition 7(f)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. “**Bank**” means a bank in the principal financial centre for such currency or, in the case of Euro, in a city in which banks have access to the TARGET System.

### (c) Payments in the United States

Notwithstanding the foregoing, if any Materialised Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Materialised Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

### (d) Payments Subject to Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

### (e) Appointment of Agents

The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Registration Agent and the Consolidation Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent expert(s) and, in each case, do not assume any obligation or relationship of agency or trust for or with any Noteholder or holder of a coupon (a “**Couponholder**”). The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Registration Agent, the Consolidation Agent and the Calculation Agent(s), and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so

require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) Paying Agents having specified offices in at least two major European cities of which, so long as the Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and the rules of such Regulated Market so require, one shall be Luxembourg, and a Paying Agent having a specified office in a major European city outside France, (v) in the case of Dematerialised Notes in fully registered form, a Registration Agent, (vi) in the case of Materialised Notes, a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November, 2000 on the taxation of savings income or any law implementing or complying with or introduced in order to conform to such Directive (which may be any of the Paying Agents referred to in (iv) above) and (vii) such other agents as may be required by the rules of any other stock exchange on which the Notes may be admitted to trading.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 14 below.

**(f) Unmatured Coupons and Unexchanged Talons**

- (i) Unless Materialised Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Materialised Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) If Materialised Notes so provide, upon the due date for redemption of any such Materialised Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Materialised Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Materialised Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any such Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Materialised Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note representing it, as the case may be. Interest

accrued on a Materialised Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note representing it, as the case may be.

**(g) Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

**(h) Non-Business Days**

If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) on which banks and foreign exchange markets are open for business in such jurisdictions as shall be specified as “**Financial Centres**” in the relevant Final Terms and (C) (i) (in the case of a payment in a currency other than Euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) (in the case of a payment in Euro) which is a TARGET Business Day.

**(i) Payment of US Dollar Equivalent**

Notwithstanding any other provision in these Conditions, if an Inconvertibility, Non-Transferability or Illiquidity occurs or if RMB is otherwise not available to the Issuer as a result of circumstances beyond its control and such unavailability has been confirmed by a RMB Dealer, following which the Issuer is unable to satisfy payments of principal or interest (in whole or in part) in respect of RMB Notes, the Issuer on giving not less than five nor more than 30-days irrevocable notice to the Noteholders prior to the due date for payment, may settle any such payment (in whole or in part) in US dollars on the due date at the US Dollar Equivalent of any such RMB denominated amount.

In such event, payments of the US Dollar Equivalent of the relevant principal or interest in respect of the Notes shall be made by transfer to the U.S. dollar account of the relevant Account Holders for the benefit of the Noteholders. For the avoidance of doubt, no such payment of the US Dollar Equivalent shall by itself constitute a default in payment within the meaning of Condition 10.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7(i) by the RMB Rate Calculation Agent, will (in the absence of manifest error) be binding on the Issuer, the Agents and all Noteholders.

For the purposes of this Condition 7(i):

“**Governmental Authority**” means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong or any other relevant jurisdiction of a Renminbi offshore market.



“**Illiquidity**” means that the general RMB exchange market in Hong Kong or any other relevant jurisdiction of a Renminbi offshore market becomes illiquid, other than as a result of an event of Inconvertibility or Non-Transferability, as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two RMB Dealers as a result of which event the Issuer cannot, having used its reasonable endeavours, obtain sufficient RMB in order fully to satisfy its obligation to pay interest or principal in respect of the RMB Notes.

“**Inconvertibility**” means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of RMB Notes in the general RMB exchange market in Hong Kong or any other relevant jurisdiction of a Renminbi offshore market, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“**Non-Transferability**” means the occurrence of any event that makes it impossible for the Issuer to deliver RMB between accounts inside Hong Kong or any other relevant jurisdiction of a Renminbi offshore market from an account inside Hong Kong or any other relevant jurisdiction of a Renminbi offshore market or to an account outside Hong Kong or any other relevant jurisdiction of a Renminbi offshore market, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“**RMB Dealer**” means an independent foreign exchange dealer of international repute active in the RMB exchange market in Hong Kong or any other relevant jurisdiction of a Renminbi offshore market reasonably selected by the Issuer.

“**RMB Note**” means a Note denominated in RMB.

“**RMB Rate Calculation Agent**” means the agent appointed from time to time by the Issuer for the determination of the RMB Spot Rate or identified as such in the relevant Final Terms.

“**RMB Rate Calculation Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong or any other relevant jurisdiction of a Renminbi offshore market and in New York City.

“**RMB Rate Calculation Date**” means the day which is two RMB Rate Calculation Business Days before the due date for payment of the relevant RMB amount under the Conditions.

“**RMB Spot Rate**” for a RMB Rate Calculation Date means the spot CNY/US dollar exchange rate for the purchase of US dollars with CNY in the over-the-counter CNY exchange market in Hong Kong or any other relevant jurisdiction of a Renminbi offshore market for settlement on the relevant due date for payment, as determined by the RMB Rate Calculation Agent at the Relevant Time as specified in the relevant Final Terms on such RMB Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither such rate is available, the RMB Rate Calculation Agent will determine the RMB Spot Rate at the Relevant Time as specified in the relevant Final Terms on the RMB Rate Calculation Date as the most recently available CNY/U.S. dollar official fixing rate for settlement on the relevant due date for payment reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money

Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

“**US Dollar Equivalent**” means the relevant RMB amount converted into US dollars using the RMB Spot Rate for the relevant RMB Rate Calculation Date, as calculated by the RMB Rate Calculation Agent.

## 8 Taxation

### (a) Withholding Tax exemption

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

### (b) Additional Amounts

If the law of a Relevant Jurisdiction should require that payments of principal, or interest in respect of any Note or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon, as the case may be:

- (i) **Other connection:** to, or to a third party on behalf of, a Noteholder or, if applicable, a Couponholder, as the case may be, who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Note or Coupon; or
- (ii) **Presentation more than 30 days after the Relevant Date:** in the case of Materialised Notes, more than 30 days after the Relevant Date except to the extent that the Noteholder or, if applicable a Couponholder, as the case may be, would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or
- (iii) **Payment under the EU Directive:** where such withholding or deduction is required to be made pursuant to EU Directive 2003/48/EC dated 3 June 2003 (as may be amended from time to time) or any EU Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or being substituted to it or any law implementing or complying with, or introduced in order to conform to, such Directives; or
- (iv) **Payment by another paying agent:** in respect of Definitive Materialised Notes, presented for payment by or on behalf of a Noteholder or, if applicable, a Couponholder, as the case may be, who would be able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the EU.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further

presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

### (c) **Supply of Information**

Each Noteholder shall be responsible for supplying, in a timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by the European Council Directive 2003/48/EC dated 3 June 2003 or any EU Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive.

## **9 Prescription**

Claims against the Issuer for payment in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## **10 Events of Default**

The Representative (as defined under Condition 11(b)), upon request of any Noteholder, may, upon written notice to the Issuer and the Fiscal Agent given before all defaults shall have been cured, cause the principal amount of all the Notes (but not some only) held by such Noteholder to become immediately due and payable, together with accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent without further formality, if any of the following events (each an “**Event of Default**”) shall occur:

- (i) in the event of default by the Issuer in the payment of principal and interest on any Note, when and as the same shall become due and payable, if such default shall not have been cured within 7 business days from such due date;
- (ii) in the event of default by the Issuer in the due performance of any other provision of the Notes, if such default shall not have been cured within 21 business days after receipt by the Fiscal Agent of written notice of such default given by a Noteholder;
- (iii) any other present or future indebtedness of the Issuer or any of its Principal Subsidiaries for borrowed monies in excess of Euro 100,000,000 (or its equivalent in any other currency), whether individually or in the aggregate, becomes, following, where applicable, the expiry of any originally applicable grace period, due and payable prior to its stated maturity as a result of a default thereunder, or any such indebtedness shall not be paid when due or, as the case may be, within any originally applicable grace period therefor or any steps shall be taken to enforce any security in respect of any such indebtedness or any guarantee or indemnity given by the Issuer or any of its Principal Subsidiaries for, or in respect of, any such indebtedness of others shall not be honoured when due and called upon;

- (iv) a judgement is issued for the judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer or any of its Principal Subsidiaries or, to the extent permitted by law, the Issuer or any of its Principal Subsidiaries is subject to any other insolvency or bankruptcy proceedings or the Issuer or any of its Principal Subsidiaries makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors. For the purpose solely of this paragraph, the term “**Principal Subsidiaries**” shall have the same meaning as under Condition 4 hereinabove; or
- (v) in the event that the Issuer or any of its Principal Subsidiaries ceases to carry on all or a material part of its or their business or other operations, except for the purposes of and following a merger or reorganisation (*fusion, scission or apport partiel d'actifs*) (i) on terms approved by the General Meeting of the Noteholders if French law were to require such merger or reorganisation to be approved by the General Meeting of the Noteholders or (ii) or in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are vested in the Issuer, another of its Principal Subsidiaries or any other Subsidiary which as a result of such merger or reorganisation becomes a Principal Subsidiary.

## 11 Representation of Noteholders

In respect of the representation of the Noteholders, the following shall apply:

- (a) If the relevant Final Terms specify “Full *Masse*”, the Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *Masse* and the provisions of the French *Code de Commerce* relating to the *Masse* shall apply subject to the below provisions of this Condition 11(a).

The names and addresses of the initial Representative (as defined below) of the *Masse* and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the representative of the single *Masse* of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the general meeting of the Noteholders (the “**General Meeting**”).

In accordance with Article R.228-71 of the French *Code de Commerce*, the right of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the second business day in Paris preceding the date set for the meeting of the relevant General Meeting.

The place where of a General Meeting shall be held will be set out in the notice convening such General Meeting; or

- (b) If the Notes are issued outside France for the purpose of Article L.228-90 of the French *Code de Commerce*, the relevant Final Terms specify “Contractual *Masse*”, Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (in each case, the “*Masse*”), which will be subject to the below provisions of this Condition 11(b).

The *Masse* will be governed by the provisions of the French *Code de commerce*, and, with respect to Notes issued outside France, with the exception of Articles L.228-48, L.228-59, R.228-63, R.228-67 and R.228-69 of the French *Code de Commerce* subject to the following provisions:

- (i) **Legal Personality:** The *Masse* will be a separate legal entity and will act in part through a representative (the “**Representative**”) and in part through a general meeting of the Noteholders.

The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

- (ii) **Representative:** The office of the Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:

- the Issuer, the members of its Board of Directors (*Conseil d'Administration*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouses; or
- companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*Conseil d'administration*), Management Board (*Directoire*) or Supervisory Board (*Conseil de surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouses; or
- companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the *Masse* and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single *Masse* of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

- (iii) **Powers of the Representative:** The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not interfere in the management of the affairs of the Issuer.

- (iv) **General Meeting:** A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting, together with the proposed agenda for such General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 14 not less than 15 days prior to the date of such General Meeting.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, correspondence, or, if the *statuts* of the Issuer so specify, videoconference or any other means of telecommunications allowing the identification of the participating Noteholders. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

- (v) **Powers of the General Meetings:** The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) to Noteholders, nor establish any unequal treatment between the Noteholders, nor to decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Noteholders attending such General Meetings or represented thereat.

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder on the second business day in Paris preceding the date set for the meeting of the relevant General Meeting at 0:00, Paris time.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 14.

- (c) **Information to Noteholders:** Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting.
- (d) **Expenses:** The Issuer will pay all expenses relating to the operation of the *Masse*, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative

expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

- (e) **Single Masse:** The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 13, shall, for the defence of their respective common interests, be grouped in a single *Masse*. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single *Masse* of all such Series.

For the avoidance of doubt, in this Condition 11 “**outstanding**” shall not include those Notes subscribed or purchased by the Issuer pursuant to Article L.213-1 A of the Code that are held by it and not cancelled.

## 12 Replacement of definitive Notes, Coupons and Talons

If, in the case of any Materialised Notes, a Definitive Materialised Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Definitive Materialised Notes, Coupons or Talons must be surrendered before replacements will be issued.

## 13 Further Issues and Consolidation

The Issuer may from time to time without the consent of the Noteholders, or Couponholders create and issue further notes to be assimilated (*assimilées*) with the Notes provided such Notes and the further Notes carry rights identical in all respects (or in all respects save for issue date, issue price, the principal amount thereof and the first payment of interest specified in the Final Terms) and that the terms of such Notes provide for such assimilation, and references in these Conditions to “**Notes**” shall be construed accordingly.

The Issuer may from time to time on any Interest Payment Date occurring on or after the date specified for a redenomination of the notes pursuant to Condition 1(d), on giving not less than 30 days’ prior notice to the Noteholders in accordance with Condition 14, without the consent of the Noteholders or the Couponholders, consolidate the Notes with one or more issues of other notes issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

## 14 Notices

- (a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) at the option of the Issuer, they are published (a) so long as such Notes are admitted to trading on Euronext Paris, in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF and, (b) so long as such Notes are admitted to trading on any Regulated Market or other stock exchange, and, to the extent applicable, laws or regulations or the rules of such

Regulated Market or other stock exchange(s) so require, on the website of any other competent authority or Regulated Market of the EEA Member State where the Notes are admitted to trading, or (c) as otherwise provided in applicable laws, regulations or rules.

- (b) Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if, at the option of the Issuer, they are published (i) so long as such Notes are admitted to trading on Euronext Paris, in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF and, (ii) so long as such Notes are admitted to trading on any stock exchange including any Regulated Market, (a) in a leading daily newspaper of general circulation in the city/ies where the Regulated Market(s), or other stock exchange on which such Notes are admitted to trading is located, if the rules applicable to such Regulated Market or other stock exchange so require, or (b) on the website of any other competent authority or Regulated Market of the EEA Member State where the Notes are admitted to trading, or (c) or as otherwise provided in applicable laws, regulations or rules.
- (c) If any such publication is not practicable, notice shall be validly given if published in a leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Notes in accordance with this Condition.
- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication of a notice required by Conditions 14(a), (b) and (c) above; except that notices will be published (a) so long as such Notes are admitted to trading on Euronext Paris, in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF and (b) so long as the Notes are admitted to trading on any Regulated Market(s) and the rules of such Regulated Market(s) so require, notices shall be published on the website of any other competent authority or Regulated Market of the EEA Member State where the Notes are admitted to trading, or (c) as otherwise provided in applicable laws, regulations or rules.

## **15 Governing Law and Jurisdiction**

### **(a) Governing Law**

The Notes (and, where applicable, the Coupons and the Talons) and all non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, French law.

### **(b) Jurisdiction**

Any claim against the Issuer in connection with any Notes, Coupons or Talons may be brought before any competent court located in Paris.



## TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALIZED NOTES

### Temporary Global Certificate

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Notes. Upon the initial deposit of such Temporary Global Certificate with a common depository for Euroclear and Clearstream, Luxembourg (the “Common Depository”), Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depository may also (if indicated in the relevant Final Terms) credit the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems with a nominal amount of Notes. Conversely, a nominal amount of Notes that is initially deposited with any clearing system other than Euroclear or Clearstream, Luxembourg may similarly be credited to the accounts of subscribers with Euroclear or Clearstream, Luxembourg.

### Exchange

Each Temporary Global Certificate issued in respect of Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “**Subscription and Sale**”), in whole, but not in part, for Definitive Materialised Notes; and
- (ii) otherwise, in whole but not in part, upon certification as to non-US beneficial ownership in the form set out in the Agency Agreement for Definitive Materialised Notes.

A Noteholder must exchange its share of the Temporary Global Certificate for Materialised Notes before interest or any amount payable in respect of the Notes will be paid.

### Delivery of Definitive Materialised Notes

On or after its Exchange Date, the holder of the Temporary Global Certificate must surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for the Temporary Global Certificate so surrendered, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Notes.

In this Base Prospectus, “Definitive Materialised Notes” means, in relation to any Temporary Global Certificate, the Definitive Materialised Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Notes will be security printed in accordance with any applicable legal and stock exchange requirements in, or substantially in, the form set out in Schedule 2 Part A to the Agency Agreement.

### Exchange Date

“**Exchange Date**” means, in relation to a Temporary Global Certificate, the day next succeeding the day that is 40 days after its issue date, provided that, in the event any further Materialised Notes are issued prior to

such day pursuant to Condition 13, the Exchange Date for such Temporary Global Certificate shall be postponed to the day falling after the expiry of 40 days after the issue of such further Materialised Notes.

## **USE OF PROCEEDS**

The net proceeds of the issue of Notes will be used for the general business of Schneider Electric. If in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

## **DESCRIPTION OF SCHNEIDER ELECTRIC S.E.**

The description of the Issuer has been incorporated by reference in Section “Documents incorporated by reference” pages 51 to 55 of this Base Prospectus.

## RECENT DEVELOPMENTS

H1 revenues reached €12.8bn up 9.8%, flat org. in Q2

Adj. EBITA reached €1.6bn, up 6.4%, Adj. EBITA margin flat excl.

**Invensys in a challenging environment 2015 targets: Around flat organic growth in revenues and a significant growth in adj. EBITA at current FX rates, with a stable to moderate decline in adj. EBITA margin vs. 2014**

**Rueil-Malmaison (France), July 29, 2015** - Schneider Electric announced today its second quarter revenues and first half results for the period ending June 30, 2015.

Key figures (€ million)	2014 HY	2015 HY	Change
Revenues	11,700	12,848	+9.8%
Organic growth (%)		-0.9%	
Organic growth (%) w/o Invensys		0%	
SFC ratio (% of revenues)	25.2%	24.5%	-70 bps
Adjusted EBITA	1,504	1,601	+6.4%
% of revenues	12.9 %	12.5%	- 40 bps
Net Income (Group share)	821	719	-12%
Adjusted Net Income <sup>3</sup>	879	912	+4%

### I. SECOND QUARTER REVENUES WERE UP 0.1% ORGANICALLY

2015 Q2 revenues were €6,852 million, up +0.1% organically and +11.7% on a reported basis.

#### Organic growth by business

€ million	HY 2015			Q2 2015	
	Revenues	Organic growth	Organic growth (ex. Invensys)	Revenues	Organic growth
Buildings & Partner	5,763	+0.4%	+0.4%	3,062	+0.5%
Industry	2,834	-5.3%	-2.4%	1,463	-4.2%
Infrastructure	2,516	+0.7%	+0.7%	1,367	+1.2%
IT	1,735	+0.5%	+0.5%	960	+4.8%
<b>Group</b>	<b>12,848</b>	<b>-0.9%</b>	<b>0%</b>	<b>6,852</b>	<b>+0.1%</b>

**Buildings & Partner** (45% of Q2 revenues) grew +0.5% organically. North America was up driven by continued growth in construction markets in the U.S. and Mexico. Western Europe grew thanks to good

<sup>3</sup> See appendix p.105

execution in France, and improvement in Spain and Italy. Asia-Pacific was down. China declined as expected, reflecting continued weakness in the construction market, while Australia and India grew. Rest of the World performed well, driven by infrastructure investment in the Middle East.

**Industry** (21% of Q2 revenues) was down **-4.2%** year-on-year, temporarily impacted by the Invensys integration. Western Europe was flat as growth in Italy and Spain, driven by OEM exports, was offset by a soft market in Germany and France. North America was down due to lower industrial investments related to the decline in oil prices and strong U.S. dollar. Asia Pacific declined, penalized by the slowdown in China while Japan performed well. Rest of the world was slightly up.

**Infrastructure** (20% of Q2 revenues) was up **+1.2%** in the second quarter. Western Europe grew from a low base thanks to improvement in Spain, Italy and the U.K. North America was up driven by project execution in Canada, while the U.S. was penalized by lower investment in Oil & Gas and delays in data center investments. Asia Pacific was down due to weakness in China and a high base of comparison in Australia while East Asia posted growth. Rest of the World was slightly up as infrastructure investments in the Middle East more than offset the decline in Russia. Services remained a growth engine, up double-digit.

**IT** (14% of Q2 revenues), was up **+4.8%** organically in the second quarter. India posted strong growth after a one-off impact in Q1. The U.S. grew driven by channel initiatives and project execution in a slow market. IT investment in Western Europe remained positive. Rest of the world performed well as continued weakness in Russia was more than offset by growth in the Middle-East and Africa.

In the second quarter, Solutions business was up **+1%** organically while services<sup>4</sup> were up **+7%** organically in Q2. Solutions represented **41%** of 2015 Q2 revenues.

#### Organic growth by geography

€ million	HY 2015			Q2 2015	
	Revenues	Organic growth	Organic growth (ex. Invensys)	Revenues	Organic growth
Western Europe	3,378	+1%	+2%	1,719	+2%
Asia-Pacific	3,678	-5%	-4%	2,013	-5%
North America	3,491	-1%	0%	1,871	0%
Rest of the World	2,301	+2%	+3%	1,249	+6%
<b>Group</b>	<b>12,848</b>	<b>-0.9%</b> <sup>5</sup>	<b>0%</b>	<b>6,852</b>	<b>+0.1%</b>

**Western Europe** (25% of Q2 revenues), was up **+2%** organically. Spain and Italy grew, driven by exports and progressive recovery in domestic markets. In a challenging market, France was up due to good execution. The U.K. grew while Germany experienced mixed trends.

**Asia-Pacific** (29% of Q2 revenues), was down **-5%**, with contrasting trends. China declined across businesses due to weak construction and industrial markets. India was up as the country's economy accelerated. Australia

<sup>4</sup> Within H1, services out-grew the rest of the group by 6pts

<sup>5</sup> Excluding China, Group organic growth is +1.1%

was flat as the improvement in residential construction and growth in IT was offset by weakness in natural resource investments and a high base of comparison.

**North America** (27% of Q2 revenues), was **flat** for Q2. The U.S. was about flat as growth from construction market was offset by lower industrial investment and data center investment delays. Mexico was up driven by the recovery of the construction market.

**Rest of the World** (19% of Q2 revenues), was up **+6%** organically in the second quarter. Growth in the Middle East, thanks to infrastructure investments, more than offset continued weakness in Russia. Africa grew and South America was up with contrasting trends.

Revenues in new economies were down **-1%** organically and represented **44%** of total second quarter 2015 revenues.

#### **Consolidation and foreign exchange impacts**

Net acquisitions contributed **€8** million or **+0.1%** of growth compared to Q2 2014, mainly reflecting the acquisition of Günsan Elektrik.

The impact of currency fluctuations was positive at **€698<sup>6</sup>** million or **+11.5%**, as the positive effect of the stronger US dollar and Chinese Yuan compared to the Euro, more than offset the negative impact due to depreciation of the Russian Ruble. Based on current rates, the positive FX impact on 2015 revenues is estimated to be c. €2bn. In this volatile FX environment, the Group continues to expect a limited impact on the 2015 adjusted EBITA margin.

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<sup>6</sup> Excludes the positive impact of €15 million related to the price increase adjusting for the depreciation of the Rouble against the U.S. Dollar for IT business in Russia.

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## II. FIRST HALF 2015 KEY RESULTS

€ million	2014 HY	2015 HY	Change
<b>Gross Profit</b>	<b>4,457</b>	<b>4,752</b>	<b>+7%</b>
<b>Support Function Costs</b>	<b>(2,953)</b>	<b>(3,151)</b>	<b>+7%</b>
<b>Adjusted EBITA</b>	<b>1,504</b>	<b>1,601</b>	<b>+6%</b>
Restructuring costs	(71)	(158)	
Other operating income & expenses	(57)	(75)	
<b>EBITA</b>	<b>1,376</b>	<b>1,368</b>	<b>-1%</b>
Amortization & impairment of purchase	(127)	(138)	
<b>Net income (Group share)</b>	<b>821</b>	<b>719</b>	<b>-12%</b>
<b>Adjusted Net Income<sup>7</sup></b>	<b>879</b>	<b>912</b>	<b>+4%</b>
<b>Free cash flow</b>	<b>179</b>	<b>216</b>	<b>+21%</b>

- **ADJUSTED EBITA MARGIN AT 12.5%, DOWN -0.4 POINT VERSUS 2014, FLAT EXCLUDING INVENSYS<sup>8</sup>**

**Gross profit was up +6.6%.**

Gross margin declined -1.1pt. H1 2015 positive net pricing<sup>9</sup> and productivity partially offset negative mix and increased R&D costs:

- Net price contributed +0.4pt and productivity contributed +1.2pt.
- Negative mix of -1.6pt comprised -1pt due to pricing of large projects (impacted by competitive pressure and investment for future service business) and a few project one-offs, and -0.6pt due to geography, business, and product/solution mix.
- New product launches drove up R&D depreciation, impacting margin by -0.4pt. COGS inflation & others had a negative impact of -0.5pt. Currency and scope had a negative impact of -0.2pt.

**Support function costs** declined **-2.1%** organically, and grew +6.7% on a reported basis, 3pts less than revenue growth.

**2015 Adjusted EBITA** reached **€1,601** million, up 6.4%.

The key drivers contributing to the earnings change were the following:

- Volume impact was negative **€45** million in the first half.
- Consistent execution of tailored supply chain initiatives contributed **€151** million in the first half.

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7. See appendix p.105

<sup>8</sup>. 12.6% H1 2015 vs. 12.7% H1 2014

<sup>9</sup>. Price less raw material impact

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- Good contribution from supplier negotiation and industrial footprint optimization was partially offset by lower fixed cost absorption due to negative volume.
- The net price impact was positive at **€44 million**, as the favorable raw materials environment with a tailwind of **€77 million** compensated for the negative pricing of **€33 million**, mainly due to China. Full year positive raw material impact is expected to be around €100 million.
- Production, labor & other costs increased by **€86 million**, of which production labor inflation was **€38 million** and R&D increase in COGS was **€48 million**.
- Support function costs had a positive impact of **€67 million** in the first half, reflecting the Group's good progress of simplification initiatives.
- Currency had a **€200 million** positive impact on the adjusted EBITA, mainly driven by the depreciation of the euro against the U.S. dollar and Chinese Yuan.
- Mix was negative at **€219 million**.
- Acquisitions, net of divestments, were minimal at **€5 million** for the first half.

By business, adjusted EBITA of **Buildings & Partner** 2015 amounted to €1,031 million, or **17.9%** of revenues, slightly up +0.3 point year-on-year thanks to better support function cost control. **Industry** generated an adjusted EBITA of €440 million, or **15.5%** of revenues, down -2.7 points, penalized by volume decline, especially in Invensys, negative FX transaction impact, mix and higher R&D investment. **Infrastructure** adjusted EBITA was €156 million, or **6.2%** of revenues, up +0.6 point benefiting from good control of SFC. **IT** business reported an adjusted EBITA of €279 million, **16.1%** of revenues, down -0.8 point compared to 2014, penalized by FX transaction impact.

Corporate costs in 2015 amounted to **€305 million** or 2.4% of revenues, at the same level as in the previous year.

Reported EBITA was **€1,368 million**, after accounting for **€158 million** of restructuring costs. For the full year the restructuring costs are expected to be €300-€350 million, higher than previous years, attributed to SFC improvement initiatives. Other operating income and expenses were **€75 million** of which losses on business disposals amounted to €55 million, mainly related to the disposal of Telvent Global Services.

▪ **ADJUSTED NET INCOME<sup>10</sup> UP +4%**

The amortization and depreciation of intangibles was **€138 million**, compared to €127 million last year, up slightly.

Net financial expenses were **€226 million**, with a stable cost of debt.

Income tax amounted to **€231 million** corresponding to an effective tax rate of **23.0%**, stable vs. previous H1, benefiting from Invensys.

The Adjusted Net Income was **€912 million** in H1 2015, up +4%. The Adjusted Net Income will be one of the key elements for dividend consideration.

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<sup>10</sup> See appendix p.105

- **FREE CASH FLOW OF €216 million, up 21% from H1 2014**

Free cash flow was reported at **€216 million**. It included net capital expenditure of **€382 million**, representing 3.0% of revenues. The trade working capital increased by €283 million compared to €385 million in H1 2014 thanks to better control on account receivables and payables.

- **BALANCE SHEET REMAINS SOLID**

Schneider Electric's net debt at June 30, 2015 amounted to **€6,468 million**, an increase since the beginning of the year, mainly due to dividend payment and FX.

### III. INVENSYS UPDATE

Invensys synergy execution is on track in the first half. **Over 50%** of the planned 2015 cost synergies were realized thanks to well structured initiatives. Revenue synergies are progressing well, with **c. 50%** of targeted 2015 orders booked, and opportunities coming from diversified end-markets. 2015 H1 integration costs amounted to €21 million.

Performance in the first half was penalized by Oil & Gas and one-offs. Revenues were impacted by the ramping down of the China Nuclear project as well as the change in fiscal year closing in Q1. Underlying performance was slightly down as field devices declined ~20% due to Oil & Gas headwinds while the project business was flat to slightly down in H1, but improved in Q2. Software orders were up in Q2. Margin was penalized by the one-off impact, decline in volume, negative mix and continued R&D investment for future growth. However, margin is expected to improve in H2.

### IV. CREATING A LEADING INDUSTRIAL SOFTWARE BUSINESS WITH AVEVA<sup>11</sup>

Schneider Electric announced a non-binding agreement for the combination of selected software assets with AVEVA Group to create a global leader in industrial software with a unique portfolio from design & build to operations. The proposed transaction<sup>9</sup> aims to realize the full value of contributed industrial software assets and unlock additional value through the potential for material cost synergies as well as revenue synergies for the enlarged AVEVA and Schneider Electric. It would also create a platform for potential industrial software consolidation.

The enlarged AVEVA would have a balanced geographical and end-market exposure and would generate combined revenues and Adjusted EBITA of **c. £534 million** and **c. £130 million**, respectively. Schneider Electric would have a majority stake of **53.5%** in the enlarged AVEVA Group and would fully consolidate the business in its Group financials.

### V. SHARE BUY BACK

In line with the plan to buy back between €1 billion and €1.5 billion worth of shares by 2016, the Group has repurchased **1,364,929** shares for a total amount of **c. €90 million** in the first half of 2015. The Group intends to accelerate the share buy-back in the second half. As of 30<sup>th</sup> June 2015, the total number of shares outstanding was **585,159,105**.

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11. *The transaction remains subject to, amongst other things, the completion of mutual due diligence to the satisfaction of both parties, agreement on the terms of definitive legal documentation, the approval of the respective Boards of Schneider Electric and AVEVA, AVEVA shareholder approval and relevant anti-trust and regulatory approvals (if required).*

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## **VI. 2015 TARGETS**

In the first half, the Group saw stabilization of the Infrastructure business, improvement in Western Europe, and good progress in adapting costs and in achieving Invensys synergies. However the Group's performance was impacted by stronger than expected headwinds from O&G and China, and one-offs in Invensys

In the second half the Group expects continued growth in the U.S. construction market, sustained improvement in Western Europe, persistent weakness in China and in O&G related investments.

Therefore the Group now targets for 2015:

- Around flat organic growth in revenues.
- A significant growth in adjusted EBITA at current FX rates, and a stable to moderate decline in adjusted EBITA margin versus 2014.

## Appendix – Revenues breakdown by business

Second quarter 2015 revenues by business were as follows:

€ million	Q2 2015				
	Revenues	Organic growth	Changes in scope of consolidation	Currency effect	Reported growth
Buildings & Partner	3,062	+0.5%	+0.6%	+13.2%	+14.3%
Industry	1,463	-4.2%	-0.1%	+11.2%	+6.9%
Infrastructure	1,367	+1.2%	-0.7%	+6.7%	+7.2%
IT	960	+4.8%	0%	+13.1%	+17.9%
<b>Group</b>	<b>6,852</b>	<b>+0.1%</b>	<b>+0.1%</b>	<b>+11.5%</b>	<b>+11.7%</b>

Half year 2015 revenues by business were as follows:

€ million	HY 2015					
	Revenues	Organic growth	Organic growth (ex. Invensys)	Changes in scope of consolidation	Currency effect	Reported growth
Buildings & Partner	5,763	+0.4%	+0.4%	+0.6%	+12.0%	+13.0%
Industry	2,834	-5.3%	-2.4%	-0.1%	+10.2%	+4.8%
Infrastructure	2,516	+0.7%	+0.7%	-0.1%	+5.8%	+6.4%
IT	1,735	+0.5%	+0.5%	-0.1%	+13.0%	+13.4%
<b>Group</b>	<b>12,848</b>	<b>-0.9%</b>	<b>0%</b>	<b>+0.2%</b>	<b>+10.5%</b>	<b>+9.8%</b>

### Appendix – Breakdown by geography

Second quarter 2015 revenues by geographical region were as follows:

€ million	Q2 2015		
	Revenues	Organic growth	Reported growth
Western Europe	1,719	+2%	+4%
Asia-Pacific	2,013	-5%	+13%
North America	1,871	0%	+22%
Rest of the World	1,249	+6%	+6%
<b>Group</b>	<b>6,852</b>	<b>+0.1%</b>	<b>+11.7%</b>

Half year 2015 revenues by geographical region were as follows:

€ million	HY 2015			
	Revenues	Organic growth	Organic growth (ex. Invensys)	Reported growth
Western Europe	3,378	+1%	+2%	+3%
Asia-Pacific	3,678	-5%	-4%	+12%
North America	3,491	-1%	0%	+20%
Rest of the World	2,301	+2%	+3%	+3%
<b>Group</b>	<b>12,848</b>	<b>-0.9%</b>	<b>0%</b>	<b>+9.8%</b>

**Appendix – Consolidation impact on revenues and EBITA**

In number of months	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

<b>Electroshield-TM Samara</b> Infrastructure business Average annual revenue of more than RUB 20 billion since acquisition of 50% stake in 2010	3m							
<b>Invensys</b> Industry business (+ partly Buildings & Partner business) FY 30/9/13 revenue £1,450 million excluding Appliance	3m	3m	3m	3m				
<b>Gunsan Elektrik</b> Buildings & Partner business TRY 100 million revenue in 2013					3m	3m	3m	3m

### Appendix - Results breakdown by division

€ million	2014 HY	2015 HY
<b>Revenues</b>	<b>11,700</b>	<b>12,848</b>
Buildings & Partner	5,102	5,763
Industry	2,704	2,834
Infrastructure	2,364	2,516
IT	1,530	1,735
<b>Adjusted EBITA</b>	<b>1,504</b>	<b>1,601</b>
Buildings & Partner	898	1,031
Industry	493	440
Infrastructure	132	156
IT	258	279
Corporate	(277)	(305)
<b>- Other operating income and expenses</b>	<b>(57)</b>	<b>(75)</b>
Buildings & Partner	(1)	(12)
Industry	(37)	(3)
Infrastructure	(9)	(51)
IT	(5)	(1)
Corporate	(5)	(8)
<b>- Restructuring</b>	<b>(71)</b>	<b>(158)</b>
Buildings & Partner	(31)	(70)
Industry	(10)	(27)
Infrastructure	(28)	(46)
IT	(1)	(6)
Corporate	(1)	(9)
<b>EBITA</b>	<b>1,376</b>	<b>1,368</b>
Buildings & Partner	866	949
Industry	446	410
Infrastructure	95	59
IT	252	272
Corporate	(283)	(322)



### Appendix – Adjusted Net Income

Key figures (€ million)	2014 HY	2015 HY	Change
<b>EBIT</b>	<b>1,249</b>	<b>1,230</b>	<b>-2%</b>
Net financial expense	(201)	(226)	
Income tax	(241)	(231)	
Discontinued operations	70	0	
- of which gains from business disposals	25	0	
Equity investments	6	(1)	
Minority interests	(62)	(53)	
<b>Net income (Group share)</b>	<b>821</b>	<b>719</b>	<b>-12%</b>
Invensys integration cost post-tax (calculated at Group effective tax rate)	28	16	
Gain/losses on business disposals (from OOIE & discontinued operations)	(25)	55	
Restructuring charges post-tax (calculated at Group effective tax rate)	55	122	
<b>Adjusted Net income</b>	<b>879</b>	<b>912</b>	<b>+4%</b>

### Appendix – Free Cash Flow

Analysis of debt change in €m	H1 2014	H1 2015
<b>Net debt at opening (Dec. 31st)</b>	<b>(3,326)</b>	<b>(5,022)</b>
Operating cash flow	1,083	1,134
Capital expenditure – net	(386)	(382)
Change in trade working capital	(385)	(283)
Change in non-trade working capital	(133)	(253)
<b>Free cash flow</b>	<b>179</b>	<b>216</b>
Dividends	(1,095)	(1,109)
Acquisitions – net	(2,257)	(77)
Net capital increase	64	(72)
FX & other	(112)	(404)
<b>(Increase) / Decrease in net debt</b>	<b>(3,221)</b>	<b>(1,446)</b>
<b>Net debt at June 30</b>	<b>(6,547)</b>	<b>(6,468)</b>

#### Schneider Electric and AVEVA to create a global leader in industrial software

**Rueil Malmaison, July 20, 2015** - AVEVA Group PLC (“**AVEVA**”), one of the world's leading providers of engineering design and information management solutions, and Schneider Electric SE (“**Schneider Electric**”) today announce that they have reached a non-binding agreement on the key terms and conditions of an acquisition of selected Schneider Electric industrial software assets (including, among others, the former Invensys software assets) (“**Schneider Software**”) by AVEVA (the “**Transaction**”).

Schneider Software’s product portfolio offers solutions in Process Engineering & Optimisation, Operations Planning & Scheduling, Operations Execution Management, Asset Management, Operations Control and Information Management.

AVEVA will acquire Schneider Software on a debt-free cash-free basis and receive from Schneider Electric upon completion £550 million for consideration of new AVEVA shares to be issued to Schneider Electric, such that Schneider Electric will own 53.5% of the Enlarged AVEVA Group’s (as defined below) fully diluted share capital immediately post completion. Based on the current AVEVA share price, the c. 74.0 million AVEVA shares to be issued to Schneider Electric as part of the Transaction have a current market value of c. £1.3 billion. The cash payment (described above) from Schneider Electric will be distributed upon completion (together with AVEVA’s net excess cash, as described below) to AVEVA’s shareholders (excluding Schneider Electric).

Given the relative size of Schneider Software and AVEVA, the Transaction will be classified as a reverse takeover of AVEVA under the Listing Rules of the UK Listing Authority (the “**UKLA**”). Certain information on Schneider Software has been provided by Schneider Electric and is included in the Additional Information section of this announcement.

## **Strategic rationale and other benefits of the Transaction**

The Directors of AVEVA and Schneider Electric believe that there is a clear and compelling industrial logic and strategic rationale for a combination of AVEVA and Schneider Software (forming, the "**Enlarged AVEVA Group**"). The Transaction will, among other things:

- Create a global leader in industrial software, with scale and relevance in key-markets and a best in class technology portfolio with combined revenues and Adjusted EBITA of c. £534 million and c. £130 million, respectively;
- Provide a comprehensive integrated offering through its combined product portfolio – including among others Schneider Electric's SimSci™, Wonderware™ and Avantis™ solutions alongside AVEVA PDMS™, AVEVA Everything3D™ and AVEVA NET™ – creating a holistic and more visible value proposition enabling the Enlarged AVEVA Group to better navigate specific cycles by covering all aspects of the Digital Asset lifecycle through Process Simulation, detailed 3D Design, Asset Data Management, Operations Management and Asset Performance Management for large, complex engineering projects in the process and plant industries;
- Diversify AVEVA's end-markets, enhancing its position in Oil & Gas, Power and Marine while adding leading positions in other verticals including Chemicals, Food and Beverage, Mining, Water and Waste Water, and Pharmaceuticals thereby substantially enlarging the total addressable market;
- Improve geographic and end market coverage, with AVEVA benefitting from Schneider Software's exposure to the Americas market (the Americas will contribute approximately 36% of revenues in the Enlarged AVEVA Group versus 18% of AVEVA's revenues today);
- Create additional value for shareholders through the potential for material revenue and cost synergies;
- Provide an exciting commercial opportunity for the Enlarged AVEVA Group to leverage Schneider Electric's multiple go-to-market channels;
- Position the Enlarged AVEVA Group as a strong player best able to continue to take advantage of future M&A opportunities;
- Create a compelling equity story, underpinned both by an enhanced strategic positioning and a strengthened financial profile for the Enlarged AVEVA Group; and
- Establish a "best-in-class" management team and increased brand profile for attracting further talent.

## **Key terms of the Transaction**

The key terms are set out below and the Transaction is subject to, inter alia, mutual due diligence, the agreement and execution of legally binding documentation and approval by the Boards of AVEVA and Schneider Electric:

- AVEVA will acquire Schneider Software on a debt-free cash-free basis and receive from Schneider Electric upon completion £550 million for consideration of new AVEVA shares to be issued to Schneider Electric, such that Schneider Electric will own 53.5% of the Enlarged AVEVA Group's fully diluted share capital immediately post completion. Based on the current AVEVA share price, the c. 74.0 million AVEVA shares to be issued to Schneider Electric as part of the Transaction have a current market value of c. £1.3 billion. The cash payment (described above) from Schneider Electric will be distributed upon completion (together with AVEVA's net excess cash, as described below) to AVEVA's shareholders (excluding Schneider Electric);
- On completion, AVEVA shareholders will:
  - Retain a 46.5% ownership of the Enlarged AVEVA Group, with combined revenues and Adjusted EBITA of c. £534 million and c. £130 million, respectively;
  - Receive a cash payment of £550 million (to be paid by Schneider Electric to AVEVA and subsequently distributed to AVEVA shareholders, excluding Schneider Electric), being equivalent to £8.55 per AVEVA share on a fully diluted basis and representing 48% of

- AVEVA's fully diluted market capitalisation as at 17 July 2015 (being the closing price on the latest date practicable prior to publication of this announcement);
- Receive any net excess cash held on AVEVA's balance sheet to be paid to AVEVA shareholders (excluding Schneider Electric), such excess cash being calculated by reference to future cash requirements of the Enlarged AVEVA Group and after adjustment for post-tax pension provisions and other debt related items, in each case as to be agreed between AVEVA and Schneider Electric; and
  - Have an opportunity to benefit further, through their shareholding, from the revenue and cost synergies which are expected to arise from the combination of the two businesses, and their resulting enhanced market presence;
- It is intended that the Enlarged AVEVA Group will continue to be admitted to listing on the Official List of the UKLA ("**Official List**") and to trading on the London Stock Exchange plc's main market for listed securities;
  - The Board of the Enlarged AVEVA Group will be constituted as follows:
    - The existing Board of Directors of AVEVA to remain in place on completion. Specifically, Philip Aiken (AVEVA's Chairman), Richard Longdon (AVEVA's CEO) and James Kidd (AVEVA's CFO) will remain in place following completion, in order to drive the strategy, implementation and integration of Schneider Software;
    - Two additional non-executive directors proposed by Schneider Electric to be appointed to the Board of the Enlarged AVEVA Group on completion;
    - In order for the Board of the Enlarged AVEVA Group to comprise a majority of independent non-executive directors (including the Chairman), one additional independent non-executive director proposed by AVEVA to be appointed on or shortly after completion;
    - The Board of the Enlarged AVEVA Group will continue to have an independent non-executive Chairman for a period of not less than two years following completion. Thereafter, Schneider Electric will have the right to appoint the Chairman from one of its two non-executive directors. The Chairman of a meeting of the Board of the Enlarged AVEVA Group will have a casting vote in case of equality of votes on questions arising at any meeting;
    - The Vice Chairman of the Board of the Enlarged AVEVA Group to be appointed from one of Schneider Electric's two non-executive directors on completion; and
    - A new COO will be appointed from Schneider Software but will not be appointed to the Board of the Enlarged AVEVA Group;
  - Schneider Electric will agree to maintain AVEVA's progressive dividend policy;
  - There will be a standstill period for:
    - Two years post completion of the Transaction during which Schneider Electric cannot increase its shareholding above 53.5% of the Enlarged AVEVA Group's fully diluted share capital or vote in favour of a de-listing of the Enlarged AVEVA Group without the approval of the majority of the Enlarged AVEVA Group's non-executive independent directors;
    - A further 18 months period thereafter during which Schneider Electric cannot increase its shareholding to 75% or above of the Enlarged AVEVA Group's fully diluted share capital without the approval of the Enlarged AVEVA Group's non-executive independent directors, other than by way of a general offer under the City Code on Takeovers and Mergers (the "**City Code**"), provided that such offer is:
      - At an offer price not less than a 20% premium to the 30-day volume weighted average of the Enlarged AVEVA Group's share price at the time of the first announcement of the general offer and is recommended by a majority of the Enlarged AVEVA Group independent non-executives (or include an acceptance condition which requires the acceptance of the offer by a majority of the other shareholders in the Enlarged AVEVA Group); or

- Recommended by a majority of the Enlarged AVEVA Group's non-executive independent directors;
  - Thereafter, Schneider Electric will be under no restrictions on further acquisitions of shares or offers, nor be required to maintain the Enlarged AVEVA Group's listing;
- Schneider Electric intends to comply with the Listing Rules of the UKLA and will enter into a relationship agreement with the Enlarged AVEVA Group on completion. Under the terms of the relationship agreement, Schneider intends to agree to only enter into agreements and arrangements with the Enlarged AVEVA Group on an arm's length basis and on normal commercial terms;
- In the event that the Enlarged AVEVA Group is de-listed, the relationship agreement will be terminated and all protections set out therein (including the standstill provisions described above) would cease to apply; and
- Schneider Electric and AVEVA will enter into a collaboration agreement in connection with R&D and commercial activities in order to optimise the generation of synergies for the benefit of both parties.

#### **Other**

Once legally binding documentation has been executed, completion of the Transaction is likely to be conditional on, inter alia, any consultation procedures involving the personnel's representative bodies, as well as the approval of AVEVA's shareholders and any regulatory and anti-trust approvals required.

There can be no certainty that the discussions between AVEVA and Schneider Electric will lead to a transaction, nor what the final terms or timing of any such transaction may be.

Under Listing Rule 5, certain information regarding Schneider Software is required to be provided to ensure that there is sufficient information available to the public with regard to the Transaction in order to avoid a suspension of AVEVA's shares. The information required under this Listing Rule has been provided by Schneider Electric and included in the Additional Information section of this announcement. The Board of AVEVA considers that this announcement and Additional Information section of this announcement contains sufficient information about Schneider Software to provide a properly informed basis for assessing Schneider Software's financial position. Furthermore, the Board of AVEVA confirms that AVEVA has made the necessary arrangements with Schneider Electric to enable AVEVA to keep the market informed without delay of any developments concerning Schneider Software that would be required to be released were Schneider Software part of AVEVA.

The Board of AVEVA also confirms that until such time as a prospectus is published in relation to the Transaction or discussions between the parties are terminated (or such other date as required by the UKLA), AVEVA will make any announcement that would be required in order to be compliant with its obligation under the Disclosure and Transparency Rules of the Financial Conduct Authority on developments in relation to Schneider Software as if Schneider Software were already part of AVEVA.

A further announcement will be made as and when appropriate.

#### **Settlement, listing and dealing**

As the Transaction will be classified as a reverse takeover of AVEVA under the Listing Rules of the UKLA, application will need to be made to the UKLA and the London Stock Exchange plc for the ordinary shares of Enlarged AVEVA Group to be admitted to the Official List and to trading on the London Stock Exchange plc's main market for listed securities respectively. The Transaction is expected to be accounted for as a reverse takeover of AVEVA under IFRS.

A prospectus will be required to be published in relation to the application for admission to the Official List of the new and existing shares in Enlarged AVEVA Group. Such a prospectus will include audited financial statements of Schneider Software prepared in accordance with the Listing Rules and the Prospectus Rules of the UKLA. It is possible that the financial information contained in any prospectus published in relation to the

Transaction may differ from the financial information included in the Additional Information section of this announcement.

The eligibility of Enlarged AVEVA Group has not yet been agreed with the UKLA. An application regarding the eligibility of Enlarged AVEVA Group will be made in the event agreement is reached in relation to the Transaction. It is expected that admission to the Official List will become effective and that dealings, for normal settlement, of the Enlarged AVEVA Group's securities will commence on the day that the Transaction is completed.

#### **Rule 9 Whitewash**

Following completion of the Transaction, it is expected that Schneider Electric will hold in excess of 50 per cent. of the voting rights of the Enlarged AVEVA Group (calculated on a fully diluted basis). Under Rule 9 of the City Code, a person who acquires an interest in shares which, taken together with shares in which he is already interested, carry 30 per cent. or more of the voting rights of a company must normally make a mandatory offer under Rule 9 of the City Code for all the remaining shares in the company. It is intended that consent of the Panel on Takeovers and Mergers will be sought for the waiver of the obligation on Schneider Electric to make a general offer for all the issued shares of AVEVA, such waiver to be subject to approval by a vote of the independent shareholders in a General Meeting. In this case, approval for the waiver of the obligation which would otherwise arise for Schneider Electric to make an offer for AVEVA under Rule 9 of the City Code would be sought from AVEVA's shareholders at the AVEVA General Meeting.

#### **Sources and Bases**

Information contained within this announcement has been calculated on the basis of the following:

- AVEVA fully diluted number of shares in issue of 64,337,352 as at 17 July 2015 (being the latest date practicable prior to publication of this announcement)
- AVEVA share price of 1,772p as at 17 July 2015 (being the closing price on the latest date practicable prior to publication of this announcement)
- The historical average USD GBP FX rate for the year ended 31 March 2015 of 0.6212
- AVEVA financial information sourced from the AVEVA Annual Report and Accounts for the year ended 31 March 2015
- Schneider Software financial information sourced from the financial information presented in the Additional Information section of this announcement, as provided by Schneider Electric
- Combined revenue calculated by adding AVEVA reported revenue for the year ended 31 March 2015 of £208.7m plus Schneider Software revenue for the same period (as presented in the Additional Information section of this announcement) of \$524m, as translated into pounds sterling at the average FX rate for the corresponding period, as mentioned above
- Combined Adjusted EBITA calculated by adding AVEVA Adjusted EBITA for the year ended 31 March 2015 of £61.8m plus Schneider Software EBITA for the same period (as presented in the Additional Information section of this announcement) of \$110m, as translated into pounds sterling at the average FX rate for the corresponding period, as mentioned above
- Adjusted EBITA for AVEVA for the year ended 31 March 2015 (£61.8m) calculated as adjusted profit before tax of £62.1m pre net finance income of £0.3m

## **Additional Information on Schneider Software Provided By Schneider Electric**

### **1 Introduction**

This section of the announcement includes the following information concerning Schneider Software:

- A description of Schneider Software including key non-financial operating or performance measures as well as trend information regarding Schneider Software; and
- Financial information on Schneider Software, comprising profit and loss, balance sheet and cash flow information for the financial years ended 31 March 2013, 2014 and 2015, together with details of the basis of preparation, including details of accounting policies, and certain segmental and other disclosures.

### **2 Overview of Schneider Software**

Schneider Software is a leading industrial software player and a market leader in markets and technology areas adjacent to those of AVEVA. Schneider Software comprises certain historical software assets of Schneider Electric and Invensys plc former software assets (“Invensys Software”) acquired in January 2014. Its wide portfolio covers 6 main technology areas providing strong coverage of the customer value chain in the continuous process and batch manufacturing industries and the infrastructure market (covering power, water and wastewater, transportation infrastructure).

Schneider Software portfolio covers the customer value chain in its target vertical markets through its offerings in Process Engineering & Optimisation; Operations Planning & Scheduling; Operations Execution Management; Asset Management; Operations Control and Information Management under various brands such as Wonderware, SimSci, Avantis, Citect and ClearScada.

Schneider Software has a global footprint spanning North America, Europe, the Middle-East, Asia Pacific and Latin America with c. 2,000 employees worldwide, with 8 global R&D centres and 23 project execution centres. Schneider Software’s market reach is further extended through an ecosystem of key partnerships and alliances, including over 160 product technology partners, over 3,500 certified developers, and global project delivery alliances to enhance execution capabilities in key vertical and geographical markets such as Oil & Gas, Food & Beverage, Life Sciences and Smart Cities. In the year ended 31 March 2015, approximately 40% of revenues arose from North America, 29% from EMEA, 19% from Asia Pacific, 8% from Latin America, and 5% from other markets.

Schneider Software works with 10 of the top 15 mining companies, 18 of the top 20 pharmaceutical companies, 19 of the top 20 petroleum companies, 22 of the top 45 food and beverage companies and 22 of the top 40 chemical companies (see Footnote A).

In the financial year ended 31 March 2015, Schneider Software revenues were \$524 MM with an Adjusted EBITA of \$110 MM, representing a 21.0% margin.

### **3 Schneider Software Key Non-Financial Operating and Performance Information**

The six technology areas of Schneider Software can be aggregated into three broad offering areas on the basis of business model and nature of revenues.

In Process Engineering, the business delivers process design and simulation software to EPCs and end users in capital intensive industries such as upstream, refining, chemicals and power generation to enable the design and commissioning of capital assets. The market for this offering has been impacted by the current pressure on capital projects especially in the oil and gas sector. The revenues in this area are primarily through term licensing of the software, which includes software maintenance support over the term of the license.

In Operations Management, (comprising the aggregate of Process Optimisation, Operations Planning and Scheduling, Operations Execution Management, Asset Management and Information Management), the business delivers operational efficiency solutions through a portfolio of applications for optimising production and supply chain processes, ensuring the reliability and availability of capital assets and the management of real-time operational information for decision support. This offering area serves customers across multiple industries primarily in the continuous process and hybrid manufacturing sectors. The diversity of industries addressed provides a measure of risk mitigation against sector specific capital budget constraints. The revenues in this area are realised through projects, comprising a perpetual license of the software, provision of system integration services for configuration of the software, and post-implementation software maintenance support.

In Operations Control, the business delivers real-time visualisation and control software solutions to ensure that assets are operated to target performance criteria. The offerings are applicable across all manufacturing and infrastructure sectors that operate instrumented assets. This business has a wide industry and geographical footprint and operates through a global channel network of distributors, VARs and system integrators. The revenues in this area are realised through perpetual licensing of the software and software maintenance support, secured through the channel.

Schneider Software maintains its competitive advantage through investing in market leading technology products. Approximately 14% of its revenues are invested in R&D, of which the majority is spent on new feature development and next generation programs. The business manages its R&D efficiency through globally deployed lean agile development practices that drive YoY R&D productivity improvement, enabling faster time to market for its solutions. The business also has approximately 50% of its development headcount in low cost locations, both internal and with an outsourcing partner, enabling effective management of the R&D cost base. The business maintains a high level of customer satisfaction, aggregating 95% across its offering areas. This is a people and innovation centric business, with a global workforce of over 2,000 professionals operating out of 8 main innovation centres and 23 project execution centres worldwide. The business maintains a high level of attention on employee development and talent management.

### **4 Current Trading and Prospects**

For the financial year ended 31 March 2015 (FY15), Schneider Software reported standalone revenues of c. \$524 MM. Since FY15, Schneider Software has traded in line with Schneider Electric's expectations based on the macro-economic environment and the impact on the capital intensive industries that it serves, associated with the decline in oil prices. The trading environment has manifested in some delays in order intake and start-up of awarded contracts associated with increased cycle time on capital investments, from customers most sensitive to the oil price. Schneider Software management expects this trading environment to continue through FY16. Historically, revenue tends to peak in Q3 and Q4 of the financial year ending March with first half trading performance representing approximately 42% to 49% of total FY revenues. A significant portion of revenues are typically weighted toward the end of the quarter primarily in the licence revenue stream.



## 5 Selected unaudited Financial Information on Schneider Software

The basis of preparation of the following unaudited financial information on Schneider Software is set out below.

<b>Income statement</b>	<b>\$ MM</b>	<b>\$ MM</b>	<b>\$ MM</b>
<b>USD</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>
<b>Revenue</b>	<b>468</b>	<b>520</b>	<b>524</b>
Cost of sales	(172)	(188)	(189)
<b>Gross profit</b>	<b>296</b>	<b>332</b>	<b>335</b>
Research & development	(58)	(73)	(73)
Selling, general & administrative expenses	(136)	(141)	(152)
<b>EBITA adjusted</b>	<b>102</b>	<b>118</b>	<b>110</b>
Other operating income & expenses	(2)	(10)	(6)
Restructuring costs	(2)	-	-
<b>EBITA</b>	<b>98</b>	<b>108</b>	<b>103</b>
Amortisation & impairment of purchase accounting intangibles	(4)	(13)	(43)
<b>Operating income</b>	<b>94</b>	<b>96</b>	<b>60</b>

- Schneider Software revenues have increased from \$468 MM to \$524 MM over FY13-15, i.e. a 6% CAGR, driven by:
  - Organic growth of c. 5%:
    - 18% growth of maintenance, 3.1% growth of services and 0.5% growth of licenses
    - 7.1% growth of North America, 9.6% of LatAm, 3.5% for Europe and 4.3% contraction of APAC
  - Consolidation of InStep in FY15 (Instep has been consolidated from its 14 November 2014 acquisition date and made a \$5.6 MM revenue contribution in the period, compared with full year revenues of \$13.4 MM)

<b>Cash Flow Statement</b>	<b>\$ MM</b>	<b>\$ MM</b>	<b>\$ MM</b>
<b>USD</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>
<b>Cash flow from operating activities</b>	<b>66</b>	<b>110</b>	<b>76</b>
<b>Cash flows from investing activities</b>	<b>(2)</b>	<b>11</b>	<b>(5)</b>
Change in group loan funding	(62)	(118)	(73)
Net financial income	-	-	1
<b>Cash flows from financing activities</b>	<b>(62)</b>	<b>(117)</b>	<b>(72)</b>
Impact of exch. rates on cash and cash equivalents	-	(1)	(5)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>3</b>	<b>3</b>	<b>(6)</b>
<b>Opening cash and cash equivalents</b>	<b>9</b>	<b>12</b>	<b>15</b>
<b>Closing cash and cash equivalents</b>	<b>12</b>	<b>15</b>	<b>9</b>
<b>Cash flow from operating activities incl. capital expenditure</b>	<b>63</b>	<b>102</b>	<b>69</b>

<b>Balance Sheet</b>	<b>\$ MM</b>	<b>\$ MM</b>	<b>\$ MM</b>
<b>USD</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>
Goodwill	172	1 375	1 419
Intangible assets	42	329	298
Tangible assets and deferred tax assets	9	10	9
<b>Non-current assets</b>	<b>223</b>	<b>1 714</b>	<b>1 726</b>
Group funding, net	(15)	98	178
Cash and cash equivalents	12	15	9
Other current assets	119	130	150
<b>Current assets</b>	<b>116</b>	<b>243</b>	<b>337</b>
<b>Total assets</b>	<b>339</b>	<b>1 957</b>	<b>2 063</b>
Invested equity	153	1 625	1 745
Other comprehensive income	(2)	-	1
<b>Total invested equity</b>	<b>151</b>	<b>1 625</b>	<b>1 746</b>
Provisions	3	1	4
Pension liabilities	5	5	5
Deferred tax liabilities	6	137	124
<b>Non-current liabilities</b>	<b>15</b>	<b>143</b>	<b>133</b>
<b>Current liabilities</b>	<b>173</b>	<b>190</b>	<b>184</b>
<b>Total liabilities</b>	<b>339</b>	<b>1 957</b>	<b>2 063</b>

### **Basis of Preparation**

The unaudited selected financial information on Schneider Software (the “Schneider Software Financial Information”) set out above has been prepared from i) the audited financial statements prepared under IFRS of the software business of Schneider (“Schneider Software”) for the financial years ended 31 March 2013, 2014 and 2015, which include the results of the Invensys Software business (“Invensys Software”) from its date of acquisition by Schneider Electric in January 2014; and ii) the audited financial statements prepared

under IFRS of the software business of Invensys Software for the financial years ended 31 March 2013 and 2014.

The Schneider Software Financial Information presents over the three year period the financial results of Schneider Software aggregated with the results of Invensys Software prior to its acquisition by Schneider Electric. The pre-acquisition revenue and Adjusted EBITA contribution of Invensys Software was \$416.1 MM and \$103.0 MM respectively for the year ended 31 March 2013, and \$358.8 MM and \$78.0 MM respectively for the year ended 31 March 2014. No adjustment has been made to reflect the full period impact of other less material acquisitions made by Schneider Software or Invensys Software during the three year period.

Certain other adjustments have been made to reflect the standalone performance of Schneider Software operating independently of the wider Schneider Electric group on a basis consistent with the transaction currently envisaged. These adjustments principally relate to i) including adjustments to reflect the financial impact of running the business on a standalone basis; ii) reversing the impact of capitalising research and development expenditure in certain (non-Invensys) entities of Schneider Software, to better reflect consistency with the capitalisation practice of both Invensys Software and AVEVA; and iii) other various adjustments mainly composed of the exclusion of one reporting entity not proposed to be included in the transaction. The aggregate impact of these adjustments on the revenues and Adjusted EBITA of Schneider Software for the three financial years ended 31 March 2013, 2014 and 2015 was a revenue increase of \$5.9 MM, \$9.7 MM, and \$5.9 MM respectively, and an Adjusted EBITA decrease of \$16.0 MM, \$13.8 MM, and \$14.8 MM respectively.

Therefore Schneider Software Financial Information is not intended to present IFRS compliant financial statements.

Adjusted EBITA correspond to operating income before amortisation of purchase accounting intangible assets, restructuring costs, share-based payment and other operating income and expenses.

Schneider Software entities are a combination of legal entities in certain countries and the software portion of other legal entities that also include non-software related businesses. The software portion of these legal entities has been carved-out and included in the financial information as described in this basis of preparation.

Assets and liabilities of software entities acquired by Schneider Electric from unrelated parties during the periods presented have been reflected as transfers of business under common control recorded through equity at their carrying values (including goodwill) resulting from the purchase accounting of such entities in the consolidated financial statements of Schneider Electric as of the dates such transfers occurred. The increase in Schneider Software's assets and liabilities between the financial years ended 31 March 2013 and 31 March 2014 can be mainly attributed to the consolidation of the assets and liabilities of Invensys Software following the completion of the acquisition of Invensys plc by Schneider Electric on January 17, 2014.

Assets and liabilities of Invensys Software have been reflected as a transfer of business under control from Schneider Electric recorded through equity at their carrying values (including goodwill) resulting from the purchase accounting of Invensys Software by Schneider Electric. As a consequence, this acquisition is a non-cash transaction for Schneider Software and its impact on Schneider Software cash flow is limited to the net cash of Invensys Software at the time of the acquisition for \$11.4 MM.

Assets and liabilities of software operations carved-out from legal entities with other non-software operations have been initially recorded through Schneider Software funding (expressed as "Group funding, net" in the Balance Sheet) at their estimated carrying values in the consolidated financial statements of Schneider Electric.

For defined benefit pension plans, the assets and obligations have been included in the Schneider Software Financial Information to the extent that Invensys Software is expected to be responsible for fulfilling these defined benefit pension obligations.

Cash management is performed at a global level by Schneider Electric. The financing position and financing costs of Schneider Software included in the Schneider Software Financial Information may not be indicative of the financial position, results of operations and cash flows that would have been presented if Schneider Software had been a standalone entity.

Current income tax has been determined based on the pre-tax profits of Schneider Software on a standalone basis without taking into account net operating losses within the wider Invensys or Schneider Electric group. Current income tax, other than taxes owed directly to tax jurisdictions, is deemed to have been settled by or to Schneider Electric or Invensys as a transfer from or to Schneider Electric or Invensys equity in the year the related income taxes were recorded.

Schneider Software has not in the past formed a separate legal group, and therefore it is not meaningful to reflect any share capital for Schneider Software. Schneider Software's invested equity represents the sum of cumulative net capital invested by Schneider Electric, accumulated earnings of Schneider Software and other elements of comprehensive income.

Schneider Software Financial Information has been prepared on the assumption that Schneider Software is a going concern, meaning it will continue its operations in the foreseeable future and will be able to realise assets and discharge liabilities in the normal course of its operations.

Schneider Software Financial Information is presented in US Dollars (\$).

#### **Differences Between AVEVA and Schneider Software Accounting Policies**

To date, no significant differences between Schneider Software and AVEVA's accounting policies applied in the preparation and presentation of their respective financial information for each of the Financial Years ended 31 March 2013, 31 March 2014 and 31 March 2015 have been identified, save potentially in respect of the non-maintenance element of certain term licences, which AVEVA's practice is to recognise up-front if certain criteria are met, rather than spread over the term of the licence.

#### **Operating Segment Information**

##### **1. Operating and reportable segment:**

The business of Schneider Software reflected in the Schneider Software Financial Information has not been operated as an integrated business under the responsibility of a software dedicated chief operating decision maker in charge of all software operations within Schneider Electric over the periods presented nor were discrete reporting data available for this business within Schneider Electric.

As a consequence, for the periods presented Schneider Software had no reporting segments identifiable under IFRS 8 – Operating Segments.

##### **2. Revenue by revenue stream**

Schneider Software does not have any external customer representing more than 10% of its revenue as at March 31, 2015 and March 31, 2014.

Breakdown of revenue by revenue stream is as follows:

<b>Revenue by Revenue Stream</b>	<b>\$ MM</b>	<b>\$ MM</b>	<b>\$ MM</b>
<b>USD</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>
Software maintenance	107	126	152
Software licenses	237	247	239
Engineering services	124	147	133

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<b>Total revenues</b>	<b>468</b>	<b>520</b>	<b>524</b>
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### 3. Revenue by geography

Revenue from external clients (based on domicile of customers) is as follows:

<b>Revenue USD</b>	<b>by Geography</b>	<b>\$ MM FY13</b>	<b>\$ MM FY14</b>	<b>\$ MM FY15</b>
North America		177	200	209
Europe Middle East Africa		141	152	152
Asia Pacific		107	109	98
Latin America		34	35	40
Rest of world		9	24	25
<b>Total revenues</b>		<b>468</b>	<b>520</b>	<b>524</b>

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### Operating expenses

Other operating income and expenses are detailed as follows:

<b>Other Operating Expenses</b>	<b>\$ MM</b>	<b>\$ MM</b>	<b>\$ MM</b>
<b>USD</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>
Transition costs	(1)	(2)	(2)
Share-based payment	(0)	(2)	(1)
Acquisition costs	(1)	(5)	(3)
Other	0	-	(0)
<b>Other operating income and expenses</b>	<b>(2)</b>	<b>(10)</b>	<b>(6)</b>

Transition costs mainly related to the acquisition of Invensys by Schneider Software.

### Related party disclosures

The Schneider Software Financial Information includes transactions with Invensys and Schneider Electric's non-Software subsidiaries. No material transactions took place between Invensys Software and Schneider Electric.

<b>Related Party Disclosures</b>	<b>\$ MM</b>	<b>\$ MM</b>	<b>\$ MM</b>
<b>USD</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>
<b>Income:</b>			
Revenue	47	54	45
<b>Balance sheet items:</b>			
Amounts receivable from related parties	(15)	98	178

Receivables from related parties reflect mainly the cash which is centralised at Schneider Electric level according to the cash pooling scheme and trade receivables and payables resulting from transactions with Invensys affiliates.

### **Footnotes**

Footnote A: Lists of the top mining, pharmaceutical, food and beverage, and chemical companies have been determined using the companies' revenues over the 12 month period to their last reported financial year end, while the list of the top petroleum companies has been determined using the companies' working interest production over the same period.

## TAXATION

*The statements herein regarding taxation in France and Luxembourg are based on the laws in force in the Republic of France and in the Grand Duchy of Luxembourg as of the date of this Base Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective Noteholders should consult its tax advisor as to the French and Luxembourg tax consequences of the ownership and disposition of the Notes.*

### EU TAXATION

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”). Pursuant to the Savings Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Savings Directive (interest, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State, or to so-called residual entities established in that other Member State (the “**Disclosure of Information Method**”).

For these purposes, the term “paying agent” is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Savings Directive, for the immediate benefit of the beneficial owners.

However, throughout a transitional period, Austria, instead of using the Disclosure of Information Method used by other Member States, unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method, withholds an amount on interest payments. The current withholding tax rate is 35 per cent.

Luxembourg operated such a withholding system until 31 December 2014, but the Luxembourg Government has elected out of the withholding system in favour of automatic exchange of information with effect from 1 January 2015.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

On 24 March 2014, the Council of European Union adopted a directive amending the Savings Directive, which, when implemented, will amend and broaden the scope of the requirements described above. In particular, the amending directive aims at extending the scope of the Savings Directive to new types of savings income and products that generate interest or equivalent income. In addition, tax authorities will be required in certain circumstances to take steps to identify the beneficial owner of interest payments (through a look through approach). The Member States will have until 1 January 2016 to adopt the national legislation necessary to comply with this amending directive and are required to apply these new requirements from 1 January 2017.

Furthermore, the Council of the European Union gave a mandate to the European Commission to negotiate amended savings tax agreements with Switzerland, Liechtenstein, Monaco, Andorra and San Marino to ensure that these five countries continue to apply measures that are equivalent to the Savings Directive, as amended. In March 2014, the European Council asked the European Commission to continue the negotiations with a view to concluding them until the end of year 2014. The negotiations are still ongoing.

On 14 October 2014, the Council of the European Union agreed on a draft European Council Directive extending the scope for the mandatory automatic exchange of information between tax administrations, in the form of an amendment to the existing European Council Directive 2011/16/EU on administrative cooperation in the field of direct taxation.

On 9 December 2014, the Council of the European Union adopted the European Council Directive 2014/107/EU (the “DAC”) amending the existing European Council Directive 2011/16/EU on administrative cooperation. The DAC brings interest, dividends and other income, as well as account balances and sales proceeds from financial assets, within the scope of the automatic exchange of information and intends to mirror the global standard of automatic information exchange agreed by the G20. Member States will have to begin the automatic exchange of information under the DAC no later than end of September 2017. The DAC entered into on 5 January 2015. Member States shall adopt and publish by 31 December 2015, their local laws, regulations and administrative provisions necessary to comply with the DAC and apply it as from 1 January 2016. Given that the DAC covers a wide scope of income and capital, including most of that covered by the Savings Directive, the Commission, as requested by the Council of the European Union, previously stated that they will now consider the repeal of the Savings Directive. However, depending on the timing of events, there may be a period where institutions need to report the same income under both directives.

Investors should inform themselves of, and where appropriate, take advice on, the impact of the Savings Directive and the amending directive on their investment.

## **LUXEMBOURG WITHHOLDING TAX**

Under Luxembourg tax laws currently in effect and subject to certain exceptions (as described below), there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest).

In accordance with the law of 23 December 2005, as amended, interest payments made by Luxembourg paying agents to Luxembourg individual residents and to certain residual entities are subject to a 10 per cent. withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

In accordance with the law of 25 November 2014, Luxembourg elected out of the withholding tax system in favour of an automatic exchange of information under the Council Directive 2003/48/EC on the taxation of savings income as from 1 January 2015. Payments of interest by Luxembourg paying agents to non resident individual Noteholders and to certain residual entities are thus no longer subject to any Luxembourg withholding tax.

## **FRENCH TAXATION**

*The following is a description limited to certain tax considerations in France relating to the Notes that may be issued under the Programme to any holder of Notes who does not concurrently hold shares of the Issuer. Prospective holders or beneficial owners of Notes should consult their tax advisors as to the tax consequences of any investment in or ownership and disposition of the Notes.*

### **European Savings Directives**

The Savings Directive was implemented into French law under Article 242 *ter* of the French *Code général des impôts* and Articles 49 I *ter* to 49 I *sexies* of the Schedule III to the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State,



including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

## **Withholding Tax**

### **Notes issued as from 1 March 2010**

Pursuant to the French *Code général des impôts*, payments of interest and other revenues made by the Issuer with respect to notes issued on or after 1 March 2010 (other than Notes (described below) which are assimilated (*assimilables* for the purpose of French law) and form a single series with Notes issued prior to 1 March 2010 benefitting from the exemption from withholding tax of Article 131 *quater* of the French *Code général des impôts*) will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a “**Non-Cooperative State**”). If such payments under the Notes are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes will not be deductible from the Issuer’s taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State (subject to certain exceptions). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent, subject to the more favourable provisions of any applicable tax treaty.

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor, to the extent the relevant interest or other similar revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the non-deductibility set out under Article 238 A f the French *Code général des impôts* will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such a particular issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the “**Exception**”). Pursuant to French tax administrative guidelines (BOI-INT-DG-20-50-20140211, no. 550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211, no. 70, BOI-IR-DOMIC-10-20-20-60-20150320, no. 10 and BOI-ANX-000364-20120912, no. 20), an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

- offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an “**equivalent offer**” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the

French *Code monétaire et financier*, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

**Notes issued before 1 March 2010 and Notes which are assimilated to (*assimilables* for the purpose of French law) Notes issued before 1 March 2010**

Payments of interest and other revenues made by the Issuer with respect to (i) Notes issued (or deemed issued) outside France as provided under Article 131 *quater* of the French *Code général des impôts*, before 1 March 2010 and (ii) Notes which are assimilated (*assimilables* for the purpose of the French law), and form a single series with, such Notes referred to under (i) above, will continue to be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

Notes issued before 1 March 2010, whether denominated in Euro or in any other currency, and constituting *obligations* under French law, or *titres de créances négociables* within the meaning of the French tax administrative guidelines (BOI-RPPM-RCM-30-10-30-20140211) or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France for the purpose of Article 131 *quater* of the French *Code général des impôts*, in accordance with the aforementioned administrative guidelines.

In addition, interest and other revenues paid by the Issuer on Notes issued before 1 March 2010 (or Notes issued after 1 March 2010 and which are to be assimilated (*assimilables* for the purpose of the French law) and form a single series with such Notes) will be subject neither to the non-deductibility set out under Article 238 A of the French *Code général des impôts* nor to the withholding tax set out in Article 119 *bis* of the French *Code général des impôts* solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

**Payments made to individuals tax resident (*domiciliés fiscalement*) in France**

Pursuant to Article 125 A of the French *Code général des impôts*, subject to certain limited exceptions, interest received by French tax resident individuals is subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest paid to French tax resident individuals.

See “Terms and Conditions of the Notes — Taxation”.

**HONG KONG**

The following is a summary of certain Hong Kong tax considerations relating to the purchase, ownership and disposition of the Notes by a beneficial owner of the Notes. This summary is based on the tax laws and regulations of Hong Kong as currently in effect and which is subject to change or to different interpretation. This summary is for general information only and does not address all of the Hong Kong tax considerations that may be relevant to specific holders in light of their particular circumstances.

*Withholding Tax*

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

*Profits Tax*

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of the assessable profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the “**Inland Revenue Ordinance**”), interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, professional or business carried on in Hong Kong and be subject to profits tax in the following circumstances:

- (a) interest on the Notes is derived from Hong Kong and is received by or accrued to a corporation, other than a financial institution (as defined in the Inland Revenue Ordinance), carrying on a trade, profession or business in Hong Kong;
- (b) interest on the Notes is derived from Hong Kong and is received by or accrued to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or
- (c) interest on the Notes is received by or accrued to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong, notwithstanding that the moneys in respect of which the interest is received or accrued are made available outside Hong Kong.

Any capital gains from the sale of the Notes will not be subject to taxes in Hong Kong, except that Hong Kong profits tax may be chargeable in the case of owners of Notes who carry on a trade, profession or business in Hong Kong and such gains form part of the revenue or profits of such trade, profession or business.

Sums received by or accrued to a financial institution by way of gain or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax.

#### *Stamp Duty*

Stamp duty will not be payable on the issue of bearer Notes provided either:

- (a) such Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (b) such Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (“**Stamp Duty Ordinance**”).

If stamp duty is payable it is payable by the Issuer on the issue of bearer Notes at a rate of 3 per cent. of the market value of the Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of bearer Notes.

No stamp duty is payable on the issue of registered Notes. Stamp duty may be payable on the transfer of registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes provided that either:

- (a) the registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (b) the registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance).

If stamp duty is payable in respect of the transfer of registered Notes it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the value of the consideration. If, in the case of either the sale or purchase of such registered Notes, stamp duty is not paid, both the seller and the purchaser may be liable jointly and severally to pay any unpaid stamp duty and also any penalties for late payment. If stamp duty is not paid on or before the due date

(two days after the sale or purchase if effected in Hong Kong or 30 days if effected elsewhere) a penalty of up to 10 times the duty payable may be imposed. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

#### *Estate Duty*

No estate duty is payable in respect of Notes in Hong Kong.

#### *Capital gains tax*

There is no capital gains tax in Hong Kong and no capital gains tax is chargeable or payable on the transfer or disposal of the Notes.

### **PEOPLE'S REPUBLIC OF CHINA**

Under the PRC Enterprise Income Tax Law which was promulgated by the National People's Congress of the PRC on 16 March 2007 and became effective on 1 January 2008, an enterprise established in the PRC or in a foreign country with a "de facto management body" located within the PRC is considered a "PRC tax resident enterprise" and will normally be subject to the enterprise income tax at the rate of 25 per cent. for its worldwide income.

Under the PRC Enterprise Income Tax Law and PRC Individual Income Tax Law (which was promulgated by the Standing Committee of National People's Congress of the PRC on 30 June 2011 and became effective on the same date), if the Issuer is considered to be a PRC tax resident enterprise, interest payable to non-resident Noteholders and gains from transfer of Notes realized by such non-resident Noteholders may be regarded as income from sources within the PRC and therefore be subject to a 10 per cent. enterprise income tax if the Noteholder is a non-resident enterprise, or 20 per cent. individual income tax if the Noteholder is a non-resident individual, both to be withheld by the Issuer from the interest payments thereto. To the extent that the PRC has entered into arrangements relating to the avoidance of double-taxation with any jurisdiction, such as France, Hong Kong and Singapore, that allow a lower rate of withholding tax, such lower rate may apply to Noteholders who qualify for such treaty benefits.

If the Issuer is not considered a PRC tax resident enterprise, the holders of Notes who are not PRC residents for PRC tax purposes will not be subject to withholding tax, income tax or any other taxes or duties imposed by any governmental authority in the PRC in respect of Notes or any repayment of principal and payment of interest made thereon.

## SUBSCRIPTION AND SALE

### OVERVIEW OF DEALER AGREEMENT

Subject to the terms and on the conditions contained in an Amended and Restated Dealer Agreement dated 31 July 2015 (the “**Dealer Agreement**”) between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by such Dealer.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### SELLING RESTRICTIONS

#### United States

The Notes have not been and will not be registered under the Securities Act or with any securities commission or any regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings ascribed to them by Regulation S under the Securities Act (“**Regulation S**”).

Materialised Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and the regulations thereunder.

Each Dealer has agreed and that, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Materialised Notes in bearer form, deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche, as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period (as defined in Regulation S, the “**Distribution Compliance Period**”) a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act and the laws of certain states and jurisdictions of the

United States if such offer or sale is made otherwise than in accordance with an exemption from such registration requirements.

### **Public Offer Selling Restriction Under the Prospectus Directive**

Each Dealer has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in a Member State except that it may make an offer of such Notes to the public in that Member State:

- (i) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Member State (a “Non-exempt Offer”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such Final Terms and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;;
- (iii) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC as amended and includes any relevant implementing measure in each Member State.

### **United Kingdom**

Each Dealer has represented and agreed that:

- (i) **Investment advertisements:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer;
- (ii) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom; and
- (iii) **Accepting Deposits in the United Kingdom:** in relation to any Notes having a maturity of less than one year from the date of their issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business

and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of FSMA by the Issuer.

## France

Each of the Dealers has represented and agreed that:

- (i) **Offer to the public in France:** it has only made and will only make an offer of Notes to the public in France on or after the date of approval of the Base Prospectus relating to those Notes by the *Autorité des marchés financiers* (“AMF”) in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus; or
- (ii) **Private Placement in France:** it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour le compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

## Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Dealers has represented and agreed, and each of further Dealers appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws, regulations and governmental guidelines of Japan.

## Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus”, as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors”, as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

### **People’s Republic of China**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that neither it nor any of its affiliates has offered or sold or will offer or sell, directly or indirectly, any of the Notes in the PRC, except as permitted by applicable laws and regulations of the PRC.

### **Singapore**

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.



**General**

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit an offer to the public of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, the Final Terms or any other offering material, in all cases at its own expense and neither the Issuer nor any other Dealer shall have responsibility therefor.

Each of the Dealers and the Issuer has represented and agreed and will be required to represent and agree that Materialised Notes may only be issued outside of France

**FORM OF FINAL TERMS FOR NOTES WITH A DENOMINATION OF LESS THAN  
€100,000**

**PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF SECURITIES WITH  
A DENOMINATION OF LESS THAN €100,000 TO BE ADMITTED TO TRADING ON AN EU  
REGULATED MARKET AND/OR OFFERED TO THE PUBLIC IN THE EUROPEAN ECONOMIC  
AREA**

Final Terms dated [●]

**SCHNEIDER ELECTRIC SE**

**Issue of Euro [Aggregate Nominal Amount of Tranche]  
[Title of Notes]**

**under the Euro 7,500,000,000 Euro Medium Term Note Programme**

[Any person making or intending to make an offer of Notes may only do so [(i) in those Public Offer Jurisdictions mentioned in paragraph [10 (viii)] of Part B below, provided such person is [an Authorised Offeror] in that paragraph and that such offer is made during the Offer Period specified for such purpose therein; or (ii) otherwise] **in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.**

**Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.**

The expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto), and includes any relevant implementing measure in a Member State.

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 31 July 2015 which received visa n°15-434 from the *Autorité des marchés financiers* (the “AMF”) on 31 July 2015 [and the supplement[s] to the Base Prospectus dated [●] which received visa n°[●] from the AMF on [●] (the “**Supplement[s]**”)] [which [together] constitute[s] a Base Prospectus for the purposes of Directive 2003/71/EC, as amended (the “**Prospectus Directive**)”].

This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. A summary of the issue of the Notes is annexed to these Final Terms. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. [The Base Prospectus [and the Supplement(s)] [is] [are] available for viewing at the office of the Fiscal Agent or each of the paying agents and on the [website of the Issuer (www.schneider-electric.com), and on the website of the AMF (www.amf-france.org) and copies may be obtained from Schneider Electric S.E., 35, rue Joseph Monier - 92500 Rueil-Malmaison, France.]

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”), which are the [●] EMTN Conditions which are incorporated by reference in the Base

Prospectus dated 31 July 2015]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 31 July 2015 which received visa n°15-434 from the *Autorité des marchés financiers* (the “**AMF**”) on 31 July 2015 [and the supplement(s) to the Base Prospectus dated [●] which received visa n°[●] from the AMF on [●] (the “**Supplement[s]**”), which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Directive, including the [●] EMTN Conditions which are incorporated by reference in the Base Prospectus. A summary of the issue of the Notes is annexed to these Final Terms. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the [●] EMTN Conditions and the Base Prospectus dated 31 July 2015 and the Supplement(s). [The Base Prospectuses [and the supplement(s) to the Base Prospectus] are available for viewing at the office of the Fiscal Agent or each of the paying agents and on the [website of the Issuer ([www.schneider-electric.com](http://www.schneider-electric.com)) and on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)), and copies may be obtained from Schneider Electric S.E., 35, rue Joseph Monier - 92500 Rueil-Malmaison, France.]

*[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]*

- |   |                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | [(i)] Issuer:                                    | Schneider Electric S.E.                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 2 | [(i)] Series Number:                             | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|   | [(ii)] Tranche Number:                           | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|   | [(iii)] Date on which the Notes become fungible. | [Not Applicable / The Notes will be assimilated ( <i>assimilées</i> ) and form a single series with the existing [ <i>insert description of the Series</i> ] issued by the Issuer on [ <i>insert date</i> ] (the “ <b>Existing Notes</b> ”) [as from the Issue Date of this Tranche] [as from the date of assimilation which is expected to be on or about 40 days after the Issue Date (the “ <b>Assimilation Date</b> ”) of this Tranche] |
| 3 | Specified Currency or Currencies:                | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 4 | Aggregate Nominal Amount:                        | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|   | [(i)] Series:                                    | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|   | [(ii)] Tranche:                                  | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 5 | Issue Price:                                     | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ <i>insert date</i> ] ( <i>in the case of fungible issues only, if applicable</i> )]                                                                                                                                                                                                                                                                             |
| 6 | Specified Denominations:                         | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 7 | [(i)] Issue Date:                                | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|   | [(ii)] Interest Commencement Date:               | [Specify / Issue Date / Not Applicable]                                                                                                                                                                                                                                                                                                                                                                                                     |
| 8 | Maturity Date:                                   | [●] [ <i>specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year</i> ]                                                                                                                                                                                                                                                                                                         |
| 9 | Interest Basis:                                  | [[●] per cent Fixed Rate]<br>[[ <i>specify reference rate</i> ] +/- [●] per cent. Floating Rate]                                                                                                                                                                                                                                                                                                                                            |

- [Zero Coupon]  
(further particulars specified below)
- 10 Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount.
- 11 Change of Interest Basis: [Applicable (for Fixed/Floating Rate Notes) / Not Applicable]  
*[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]*
- 12 Put/Call Options: [Investor Put]  
[Issuer Call]  
[Make-Whole Redemption by the Issuer]  
[Residual Maturity Call Option]  
[Clean-Up Call Option]  
[Change of Control Put]  
[(further particulars specified below)]
- 13 [(i)] Status of the Notes: [Senior/[Dated/Perpetual]]  
[(ii)] [Date of the corporate authorisations for issuance of Notes obtained: [●] [and [●], respectively]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 14 **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear] on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [the Business Day Convention specified below<sup>12</sup>] [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]
- (iii) Fixed Coupon Amount[(s)]<sup>13</sup>: [●] per [●] in Nominal Amount
- (iv) Broken Amount(s): [Not Applicable] [●] payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) /Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
- (vi) Determination Dates: [●] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA])*)

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<sup>12</sup> RMB Notes only

<sup>13</sup> Not applicable for RMB Notes

- (vii) [Business Day Convention<sup>14</sup>: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]]
- (viii) Party responsible for calculating Interest Amounts (if not the Calculation Agent)<sup>15</sup>: [•]/[Not Applicable]]
- (ix) [Relevant Time<sup>16</sup> [11.00 a.m./[•]] ([Hong Kong/[•]] time)]
- 15 Floating Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [•]
- (ii) Specified Interest Payment Dates: [[•] in each year, subject to adjustment in accordance with the Business Day Convention set out in (iii) below]
- (iii) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]
- (iv) Business Centre(s): [•]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vi) Interest Period Dates: [Not Applicable / *specify dates*]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [•]
- (viii) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [•]
- Reference Intra-Bank Market: [•]
- Reference Screen Page Time: [•]
- Interest Determination Date: [•]
- Relevant Screen Page: [•]
- Reference Banks: [•]
- (ix) ISDA Determination:
- Floating Rate Option: [•]
- Designated Maturity: [•]
- Reset Date: [•]
- (x) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated

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<sup>14</sup> RMB Notes only

<sup>15</sup> RMB Notes only

<sup>16</sup> RMB Notes only

	using Linear Interpolation ( <i>specify for each short or long interest period</i> )
(xi) Margin(s):	[+/-][●] per cent. per annum
(xii) Minimum Rate of Interest:	[●] per cent. per annum
(xiii) Maximum Rate of Interest:	[●] per cent. per annum
(xiv) Day Count Fraction:	[30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
(xv) Rate Multiplier:	[●]
<b>16 Zero Coupon Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Amortisation Yield:	[●] per cent. per annum
(ii) Day Count Fraction:	[30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
(iii) Any other formula/basis of determining amount payable:	[●]

#### **PROVISIONS RELATING TO REDEMPTION**

<b>17 Make-Whole Redemption by the Issuer (Condition 6(d))</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Notice period	[Not Applicable/ [●]]
(ii) Reference Security:	[●]
(iii) Reference Dealers:	[●]
(iv) Similar Security:	[Not Applicable/ [●]]
(v) Party, if any, responsible for calculating the principal and/or interest due (if not the Calculation Agent):	[Not Applicable/ [●]]
(vi) Redemption Margin:	[●]
<b>18 Call Option</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Optional Redemption Date(s):	[●]
(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Note of [●] Specified Denomination
(iii) If redeemable in part:	
(a) Minimum nominal amount to be redeemed:	[●]
(b) Maximum nominal amount to be redeemed:	[●]

- (iv) Option Exercise Date(s): [●]
- (v) Description of any other Issuer's option: [●]
- (vi) Notice period: [●]
- 19 **Put Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] Specified Denomination
- (iii) Option Exercise Date(s): [●]
- (iv) Description of any other Noteholders' option: [●]
- (v) Notice period: [●]
- 20 **Residual Maturity Call Option** [Applicable/Not Applicable]
- 21 **Change of Control Put Option** [Applicable/Not Applicable]
- 22 **Clean-Up Call Option** [Applicable/Not Applicable]
- (i) Clean-Up Percentage: [80 per cent. / [●] per cent.]
- (ii) Early Redemption Amount: [[●] per Note of [●] Specified Denomination]
- 23 **Final Redemption Amount of each Note** [[●] per Note of [●] Specified Denomination]
- 24 **Early Redemption Amount**
- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable/[●]]
- (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates : [Yes/No]
- (iii) Unmatured Coupons to become void upon early redemption (Bearer Notes only): [Yes/No/Not Applicable]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 25 Form of Notes: [Dematerialised Notes/ Materialised Notes]  
*(Materialised Notes are only in bearer form)*  
*(delete as appropriate)*

- (i) Form of Dematerialised Notes: [Not Applicable/ Bearer dematerialised form (*au porteur*) only/ Registered dematerialised form (*au nominatif*)]
- (ii) Registration Agent: [Not Applicable/ *if Applicable give name and details*]  
(*Note that a Registration Agent must be appointed in relation to Registered Dematerialised Notes only*)
- (iii) Temporary Global Certificate: [Not Applicable/ Temporary Global Certificate exchangeable for Definitive Materialised Bearer Notes on [●] (the “**Exchange Date**”), being 40 days after the Issue Date subject to postponement as provided in the Temporary Global Certificate]
- (iv) Applicable TEFRA exemption: [C Rules / D Rules / Not Applicable]
- 26 Exclusion of the possibility to request identification of the Noteholders as provided by Condition 1(a)(i): [Applicable/Not Applicable]
- 27 Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/*give details.*]  
*Note that this item relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest to which item 15 (iv) relates]*
- 28 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
- 29 Possibility of resale of purchased Notes<sup>17</sup>: [Yes/No]
- 30 Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition [●]] apply]
- 31 Consolidation provisions: [Not Applicable/The provisions [in Condition [●]] apply]
- 32 *Masse* [Full *Masse*/ Contractual *Masse*] shall apply (*Note that: (i) in respect of any Tranche of Notes issued outside France, Condition 11(b) (Contractual Masse) may be elected by the Issuer and (ii) in respect of any Tranche of Notes issued inside France, Condition 11(a)(i) shall apply.*)  
Name and address of the Representative: [●]  
Name and address of the alternate Representative: [●]  
[The Representative will receive no remuneration/The Representative will receive a remuneration of [●]]

#### **[LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Euro 7,500,000,000 Euro Medium Term Note Programme of Schneider Electric SE.]

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<sup>17</sup> In accordance with Articles L-213-1 A and D.213-1 A of the French *code monétaire et financier*

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**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made for the Notes to be admitted to trading on [Euronext Paris] [the Official List of the Luxembourg Stock Exchange] with effect from [●].] [Not Applicable.]

*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

- (ii) All the regulated markets on [●] which, to the knowledge of the Issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading.

### 2 RATINGS

Ratings:

The Notes to be issued have been rated:

[[●]: [●]]

[[Each of] [●] [and [●]] is established in the European Union and is registered under Regulation (EC) No 1060/2009 on credit ratings agencies (the “CRA Regulation”), *as amended by Regulation (EU) No 513/2011* [[Each of [●] [and/,] [●] [and/,] [●] is included in the list of credit rating agencies published by the European Security and Markets Authority on its website ([www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)).]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3 [NOTIFICATION]

The [*Autorité des marchés financiers* in France] [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [*include names of competent authorities of host Member States*] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

### 4 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

### 5 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: [●]

*(See [“Use of Proceeds”] wording in Base Prospectus – if reasons for offer different from making profit and/or hedging*

*certain risks will need to include those reasons here.))*

[(ii)] Estimated net proceeds: [•]  
*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

[(iii)] Estimated total expenses: [•] [*Include breakdown of expenses.*]  
*(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

## 6 [FIXED RATE NOTES ONLY - YIELD]

Indication of yield: [•]  
Calculated as [*include details of method of calculation in summary form*] on the Issue Date.  
As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

## 7 [FLOATING RATE NOTES ONLY - HISTORIC INTEREST RATES]

Details of historic [LIBOR/EURIBOR/*replicate other as specified in the Conditions*] rates can be obtained from [•].]

## 8 [TERMS AND CONDITIONS OF THE OFFER]

Offer Price: [Issue Price][*specify*]  
Description of the application process: [Not Applicable/give details]  
The time period, including any possible amendments, during which the offer will be open and description of the application process: [Not Applicable/give details]  
Details of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants: [Not Applicable/give details]  
Details of the minimum and/or maximum amount of application: [Not Applicable/give details]  
Details of method and time limits for paying up and delivering securities: [Not Applicable/give details]  
Manner and date in which results of the offer are to be made public: [Not Applicable/give details]  
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of unexercised subscription rights: [Not Applicable/give details]

Categories of potential investors to which the securities are offered and whether tranche(s) have been reserved for certain countries:	[Not Applicable/give details]
Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:	[Not Applicable/give details]
Details of any post-issuance information to be provided and where such information can be obtained:	[Not Applicable/give details]
<i>Consent of the Issuer to use the Prospectus during the Offer Period:</i>	[Not Applicable / Applicable with respect to any Authorised Offeror specified below]
<i>Authorised Offeror(s) in the various countries where the offer takes place:</i>	[Not Applicable / Name(s) and address(es) of the financial intermediary(ies) appointed by the Issuer to act as Authorised Offeror(s)/ Any financial intermediary which satisfies the conditions set out below in item “Conditions attached to the consent of the Issuer to use the Prospectus”]
<i>Conditions attached to the consent of the Issuer to use the Prospectus:</i>	[Not Applicable / Where the Issuer has given a general consent to any financial intermediary to use the Prospectus, specify any additional conditions to or any condition replacing those set out on page 4 of the Base Prospectus or indicate “See conditions set out in the Base Prospectus”. Where Authorised Offeror(s) have been designated herein, specify any condition]

## 9 PLACING AND UNDERWRITING

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer:	[•]
Name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent):	[•]
Names and addresses of entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under “best efforts” arrangements:	[•]
When the underwriting agreement has been or will be reached:	[•]
Name and address of entities which have a firm commitment to act as intermediaries in secondary trading:	[•]

## 10 DISTRIBUTION

- (i) Method of distribution [Syndicated/Non-syndicated]
- (ii) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]  
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)
- (iii) Date of [Subscription] Agreement: [•]
- (iv) Stabilising Manager(s) (if any): [Not Applicable/give name]
- (v) If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
- (vi) Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
- (vii) The aggregate principal amount of Notes issued has been translated into [Euro] at the rate of [•], producing a sum of (for Notes not denominated in [Euro]): [Not Applicable/[Euro][•]]
- (viii) Non-exempt offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and *specify, if applicable*]] other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported*] (“Public Offer Jurisdiction(s)”) during the period from [*specify date*] until [*specify date*] (“Offer Period”).

## 11 OPERATIONAL INFORMATION

- (i) ISIN: [•]
- (ii) Common Code: [•]
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): [•]

**[ANNEX –ISSUE SPECIFIC SUMMARY]**

*[insert the issue specific summary]*

**FORM OF FINAL TERMS FOR NOTES WITH A DENOMINATION OF AT LEAST  
€100,000**

**PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF SECURITIES WITH  
A DENOMINATION OF AT LEAST €100,000 TO BE ADMITTED TO TRADING ON AN EU  
REGULATED MARKET**

**Final Terms dated [●]**

**SCHNEIDER ELECTRIC SE**

**Issue of [Aggregate Nominal Amount of Tranche][Title of notes]  
under the Euro 7,500,000,000 Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 31 July 2015 which received visa n°15-434 from the *Autorité des marchés financiers* (the “**AMF**”) on 31 July 2015 [and the supplement[s] to the Base Prospectus dated [●] which received visa n° [●] from the AMF on [●] (the “**Supplement[s]**”) [which [together] constitute[s] a Base Prospectus for the purposes of the Directive 2003/71/EC, as amended (the “**Prospectus Directive**”).

This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. [The Base Prospectus [and the Supplement(s) [is] [are] available for viewing at the office of the Fiscal Agent or each of the paying agents and on the [website of the Issuer ([www.schneider-electric.com](http://www.schneider-electric.com)), and on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and copies may be obtained from Schneider Electric S.E., 35, rue Joseph Monier - 92500 Rueil-Malmaison, France.]]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”), which are the [●] EMTN Conditions which are incorporated by reference in to the Base Prospectus dated 31 July 2015. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Directive 2003/71/EC as amended (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 31 July 2015 which received visa n°15-434 from the *Autorité des marchés financiers* (the “**AMF**”) on 31 July 2015 [and the supplement(s) to the Base Prospectus dated [●] which received visa n°[●] from the AMF on [●] (the “**Supplement[s]**”), which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Directive, including the [●] EMTN Conditions which are incorporated by reference in the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the [●] EMTN Conditions and the Base Prospectus dated 31 July 2015 and the Supplement(s). The Base Prospectuses [and the supplement(s) to the Base Prospectus] are available for viewing at the office of the Fiscal Agent or each of the paying agents and on the website of the Issuer ([www.schneider-electric.com](http://www.schneider-electric.com)) and on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)), and copies may be obtained from Schneider Electric S.E., 35, rue Joseph Monier - 92500 Rueil-Malmaison, France.]

*[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the*

*sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]*

- |    |                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | [(i)] Issuer:                                          | Schneider Electric S.E.                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 2  | [(i)] Series Number:                                   | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|    | [(ii)] Tranche Number:                                 | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|    | (iii) Date on which the Notes become fungible:         | [Not Applicable / The Notes will be assimilated ( <i>assimilées</i> ) and form a single series with the existing [ <i>insert description of the Series</i> ] issued by the Issuer on [ <i>insert date</i> ] (the “ <b>Existing Notes</b> ”) [as from the Issue Date of this Tranche] [as from the date of assimilation which is expected to be on or about 40 days after the Issue Date (the “ <b>Assimilation Date</b> ”) of this Tranche] |
| 3  | Specified Currency or Currencies:                      | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 4  | Aggregate Nominal Amount of Notes admitted to trading: | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|    | [(i)] Series:                                          | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|    | [(ii)] Tranche:                                        | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 5  | Issue Price:                                           | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ <i>insert date</i> ] ( <i>in the case of fungible issues only, if applicable</i> )]                                                                                                                                                                                                                                                                             |
| 6  | Specified Denominations:                               | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 7  | [(i)] Issue Date:                                      | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|    | [(ii)] Interest Commencement Date:                     | [Specify / Issue Date / Not Applicable]                                                                                                                                                                                                                                                                                                                                                                                                     |
| 8  | Maturity Date:                                         | [●] [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]                                                                                                                                                                                                                                                                                                                  |
| 9  | Interest Basis:                                        | [[●] per cent Fixed Rate]<br>[[Specify reference rate] +/- [●] per cent Floating Rate]<br>[Zero Coupon]<br>(Further particulars specified below)                                                                                                                                                                                                                                                                                            |
| 10 | Redemption Basis:                                      | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount.                                                                                                                                                                                                                                                                                     |
| 11 | Change of Interest Basis:                              | Applicable (for Fixed/Floating Rate Notes) / Not Applicable] [Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]                                                                                                                                                                                                                                                              |
| 12 | Put/Call Options:                                      | [Investor Put]<br>[Issuer Call]<br>[Make-Whole Redemption by the Issuer]                                                                                                                                                                                                                                                                                                                                                                    |



- [Residual Maturity Call Option]  
 [Clean-Up Call Option]  
 [Change of Control Put]  
 [(Further particulars specified below)]
- 13 [(i)] Status of the Notes: [Senior/[Dated/Perpetual]  
 [(ii)] [Date of the corporate [•] [and [•], respectively]  
 authorisations for issuance of Notes  
 obtained:

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 14 **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear] on each Interest Payment Date
- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with [the Business Day Convention specified below<sup>18</sup>] [*specify Business Day Convention and any applicable Business Centre(s) for the definition of “Business Day”*]/not adjusted]
- (iii) Fixed Coupon Amount[(s)]<sup>19</sup>: [•] per [•] in Nominal Amount
- (iv) Broken Amount(s): [Not Applicable] [•] payable on the Interest Payment Date falling [in/on] [•]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA /ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
- (vi) Determination Dates: [•] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA])*)
- (vii) [Business Day Convention<sup>20</sup>: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]]
- (viii) Party responsible for calculating Interest Amounts (if not the Calculation Agent)<sup>21</sup>: [•] / [Not Applicable]]
- (ix) [Relevant Time<sup>22</sup> [11.00 a.m./[•]] ([Hong Kong/[•]] time)]

<sup>18</sup> RMB Notes only

<sup>19</sup> Not applicable for RMB Notes

<sup>20</sup> RMB Notes only

<sup>21</sup> RMB Notes only

<sup>22</sup> RMB Notes only

15	<b>Floating Rate Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Interest Period(s):	[•]
	(ii) Specified Interest Payment Dates:	[[•]] in each year, subject to adjustment in accordance with the Business Day Convention set out in (iii) below]
	(iii) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other <i>(give details)</i> ]
	(iv) Business Centre(s):	[•]
	(v) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
	(vi) Interest Period Date(s):	[Not Applicable/ <i>specify dates</i> ]
	(vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[•]
	(viii) Screen Rate Determination:	[Applicable/Not Applicable]
	– Reference Rate:	[•]
	– Reference Inter-Bank Market:	[•]
	– Reference Screen Page Time:	[•]
	– Interest Determination Date:	[•]
	– Relevant Screen Page:	[•]
	– Reference Banks:	[•]
	(ix) ISDA Determination:	
	– Floating Rate Option:	[•]
	– Designated Maturity:	[•]
	– Reset Date:	[•]
	(x) Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation ( <i>specify for each short or long interest period</i> )]
	(xi) Margin(s):	[+/-][•] per cent. per annum
	(xii) Minimum Rate of Interest:	[•] per cent. per annum
	(xiii) Maximum Rate of Interest:	[•] per cent. per annum
	(xiv) Day Count Fraction:	[30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
	(xv) Rate Multiplier:	[•]

- 16 **Zero Coupon Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Amortisation Yield: [●] per cent. per annum
- (ii) Day Count Fraction: [30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
- (iii) Any other formula/basis of determining amount payable: [●]

**PROVISIONS RELATING TO REDEMPTION**

- 17 **Make-Whole Redemption by the Issuer (Condition 6(d))** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Notice period: [Not Applicable/ [●]]
- (ii) Reference Security: [●]
- (iii) Reference Dealers: [●]
- (iv) Similar Security: [Not Applicable/ [●]]
- (v) Party, if any, responsible for calculating the principal and/or interest due (if not the Calculation Agent): [Not Applicable/ [●]]
- (vi) Redemption Margin: [●]
- 18 **Call Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] Specified Denomination
- (iii) If redeemable in part:
- Minimum nominal amount to be redeemed: [●]
- Maximum nominal amount to be redeemed: [●]
- (iv) Option Exercise Date(s): [●]
- (v) Description of any other Issuer's option: [●]
- (vi) Notice period: [●]

- 19 **Put Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] Specified Denomination
- (iii) Option Exercise Date(s): [●]
- (iv) Description of any other Noteholder's option: [●]
- (v) Notice period: [●]
- 20 **Residual Maturity Call Option** [Applicable/ Not Applicable]
- 21 **Change of Control Put Option** [Applicable/ Not Applicable]
- 22 **Clean-Up Call Option** [Applicable/ Not Applicable]
- (i) Clean-Up Percentage: [80 per cent. / [●] per cent.]
- (ii) Early Redemption Amount: [[●] per Note of [●] Specified Denomination]
- 23 **Final Redemption Amount of each Note** [[●] per Note of [●] Specified Denomination]
- 24 **Early Redemption Amount**
- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable/[●]]
- (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates : [Yes/No]
- (iii) Unmatured Coupons to become void upon early redemption (Bearer Notes only): [Yes/No/Not Applicable]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 25 Form of Notes: [Dematerialised Notes/ Materialised Notes]  
*(Materialised Notes are only in bearer form)*  
*(delete as appropriate)*
- (i) Form of Dematerialises Notes: [Not Applicable/ Bearer dematerialised form (*au porteur*) only/ Registered dematerialised form (*au nominatif*)]
- (ii) Registration Agent: [Not Applicable/ *if Applicable give name and details*]  
*(Note that a Registration Agent must be appointed in*

*relation to Registered Dematerialised Notes only)*

- (iii) Temporary Global Certificate: [Not Applicable/ Temporary Global Certificate exchangeable for Definitive Materialised Bearer Notes on **[•]** (the “**Exchange Date**”) being 40 days after the Issue Date subject to postponement as provided in the Temporary Global Certificate]
- (iv) Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable]
- 26 Exclusion of the possibility to request identification of the Noteholders as provided by Condition 1(a)(i) [Applicable/Not Applicable]
- 27 Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/*give details.*]  
*Note that this item relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest to which item 15 (iv) relates]*
- 28 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details]*
- 29 Possibility of resale of purchased Notes<sup>23</sup>: [Yes/No]
- 30 Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition **[•]**] apply]
- 31 Consolidation provisions: [Not Applicable/The provisions [in Condition **[•]**] apply]
- 32 *Masse*: [Full *Masse*/ Contractual *Masse*] shall apply (*Note that: (i) in respect of any Tranche of Notes issued outside France, Condition 11(b) (Contractual Masse) may be elected by the Issuer and (ii) in respect of any Tranche of Notes issued inside France, Condition 11(a)(i) shall apply.*)  
Name and address of the Representative: **[•]**  
Name and address of the alternate Representative: **[•]**  
[The Representative will receive no remuneration/The Representative will receive a remuneration of **[•]**]

#### **[LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Euro 7,500,000,000 Euro Medium Term Note Programme of Schneider Electric SE.]

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<sup>23</sup> In accordance with Articles L-213-1 A and D.213-1 A of the French *code monétaire et financier*

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**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: .....

Duly authorised



## PART B – OTHER INFORMATION

### 1 RISK FACTORS

*[Insert any issue specific risk factors that are material to the Notes being offered and/or admitted to trading in order to assess the market risk associated with these Notes and that may affect the Issuer's ability to fulfil its obligations under the Notes which are not covered under "Risk Factors" in the Base Prospectus. If any such additional risk factors need to be included consideration should be given as to whether they constitute a "significant new factor" and consequently triggers the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*

### 2 LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made for the Notes to be admitted to trading on [Euronext Paris] [the Official List of the Luxembourg Stock Exchange] with effect from [●].] [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: [●]

### 3 RATINGS

Ratings: The Notes to be issued have been rated:  
[[●]: [●]]  
[[Each of] [●] [and] [●]] is established in the European Union and is registered under Regulation (EC) No 1060/2009 on credit ratings agencies (the "CRA Regulation"), *as amended by Regulation (EU) No 513/2011* [[Each of] [●] [and/],] [●] [and/],] [●] is included in the list of credit rating agencies published by the European Security and Markets Authority on its website ([www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)).]  
*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 4 [NOTIFICATION]

The [Autorité des marchés financiers in France] [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

### 5 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save as discussed in [“Subscription and Sale”], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”]

## 6 [FIXED RATE NOTES ONLY – YIELD]

Indication of yield: [●]  
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. ]

## 7 DISTRIBUTION

- (i) Method of distribution [Syndicated/Non-syndicated]
- (ii) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]  
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)
- (iii) Date of [Subscription] Agreement: [●]
- (iv) Stabilising Manager(s) (if any): [Not Applicable/give name]
- (v) If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
- (vi) Total commission and concession: [●] per cent. of the Aggregate Nominal Amount
- (vii) The aggregate principal amount of Notes issued has been translated into [Euro] at the rate of [●], producing a sum of (for Notes not denominated in [Euro]): [Not Applicable/[Euro][●]]
- (viii) Non-exempt offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and *[specify, if applicable]*] other than pursuant to Article 3(2) of the Prospectus Directive in *[specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported]* (“Public Offer Jurisdiction(s)”) during the period from *[specify date]* until *[specify date]* (“Offer Period”).

## 8 OPERATIONAL INFORMATION

ISIN: [●]

Common Code: [●]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]



Delivery:

Delivery [against/free of] payment

Names and addresses of additional

[●]

Paying Agent(s) (if any):

## GENERAL INFORMATION

1 This Base Prospectus has received visa n°15-434 from the AMF on 31 July 2015. Application has been made to Euronext Paris for the Notes issued under the Programme to be admitted to trading on Euronext Paris and/or on any other regulated market in a Member State of the EEA. Application has been made for the delivery by the AMF of a certificate of approval specifying that the Base Prospectus has been drawn up in accordance with the Prospectus Directive to the *Commission de Surveillance du Secteur Financier* (“CSSF”), as competent authority in Luxembourg for the purposes of the Prospectus Directive. In compliance with Article 18 of the Prospectus Directive, such notification may also be made from time to time at the Issuer’s request to any other competent authority of any other Member State of the EEA.

2 No authorisation procedures are required of the Issuer under French law for the establishment or update of the Programme.

Drawdown of Notes under the Programme, to the extent such Notes constitute *obligations*, have been authorised by the Board of Directors (*Conseil d’Administration*) of the Issuer on 29 and 30 June 2015.

Any drawdown of Notes, to the extent that such Notes do not constitute obligations, fall within the general powers of the Chairman of the Board of Directors (*Président du Conseil d’Administration*) or one of the *directeurs généraux* of the Issuer.

3 Except for the agreement entered into by the Issuer and Aveva mentioned in the Recent Developments section on pages 106 to 119 of the Base Prospectus there has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2015 and no material adverse change in the prospects or affairs of the Issuer since 31 December 2014.

4 The Issuer is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) involving the Issuer during the past 12 months which may have, or have had in the recent past, significant effects on the Issuer’s and/or the Group’s financial position or profitability.

5 Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems which are entities in charge of keeping the records. The Common Code, the ISIN and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L- 1855 Luxembourg, Grand-Duchy of Luxembourg.

6 Dematerialised Notes will be inscribed in the books of Euroclear France (acting as central depository). Dematerialised Notes which are in registered form (*au nominatif*) will also be inscribed either with the Issuer or with the registration agent.

The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France.

7 For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent and the Paying Agents:

- (i) the constitutive documents (*statuts*) of the Issuer;
- (ii) the published annual report (*document de référence*) of the Issuer for the financial years ended 31 December 2014 and 31 December 2013 and the 2015 Half-Year Financial Report;

- (iii) each Final Terms for Notes that are admitted to trading on Euronext Paris or on any stock exchange or any other Regulated Market;
  - (iv) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus and any document incorporated by reference;
  - (v) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Base Prospectus.
- 8** For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)):
- (i) the Final Terms for Notes that are admitted to trading on Euronext Paris or on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange;
  - (ii) the Base Prospectus; and
  - (iii) the documents incorporated by reference in this Base Prospectus.
- 9** The by-laws, reports, letters, and other documents, historical financial information, valuations and statements prepared by the Auditors or any expert at Schneider Electric’s request, any part of which is included or referred to in this document, as well as Schneider Electric and the Group’s historical financial information for the financial years 2014 and 2013 are available for consultation at the Company’s head office located at 35, rue Joseph Monier - 92500 Rueil-Malmaison, France.

In addition to the annual report and a summary report, the Company also publishes on its corporate website, [www.schneider-electric.com](http://www.schneider-electric.com), Schneider Electric “In brief” presentations, a Shareholders’ Letter (three times a year), and general, economic and financial information (presentations, press releases).

- 10** The Notes to be issued by the Issuer qualify under Category 2 for the purposes of Regulation S under the Securities Act (“**Regulation S**”). Notes will be issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(D) (the “**D Rules**”) unless (i) the relevant Final Terms states that such Materialised Notes are issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”), or (ii) such Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.
- 11** Mazars at Tour Exaltis, 61, rue Henri Regnault, 92075 La Défense Cedex, France, and Ernst & Young & Autres at Tour First – 1, place des Saisons, 92037 Paris La Défense Cedex, France (both entities regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux Comptes*) have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the years ended 31 December 2014 and 2013. The French auditors carry out their duties in accordance with the principles of *Compagnie Nationale des Commissaires aux Comptes* and are members of the CNCC professional body.

## PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS

### In the name of the Issuer

The Issuer declares, having taken all reasonable care to ensure that such is the case and to the best of its knowledge, that the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The consolidated financial statements for the financial year ended 31 December 2013 were subject to a report by the statutory auditors which includes an emphasis of matter referring to note 1.2 “Restated 2012 comparative consolidated financial statements” to the consolidated financial statements which sets out the consequences resulting from the application from 1 January 2013 of IAS 19 revised “Employee Benefits”.

**Schneider Electric SE**  
35, rue Joseph Monier  
92500 Rueil-Malmaison  
France

Duly represented by:  
Emmanuel Babeau  
Deputy Chief Executive Officer, in charge of Finance and Legal Affairs

Duly authorised  
on 31 July 2015



### *Autorité des marchés financiers*

In accordance with Articles L. 412-1 and L. 621-8 of the French Code monétaire et financier and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (“AMF”), in particular Articles 212-31 to 212-33, the AMF has granted to this Base Prospectus visa No.15-434 on 31 July 2015. This document may only be used for the purposes of a financial transaction if completed by Final Terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of “whether the document is complete and comprehensible, and whether the information it contains is coherent”. It does not imply that the AMF has verified the accounting and financial data set out in it. This visa has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF’s General Regulations, setting out the terms of the securities being issued.

**REGISTERED OFFICE OF THE ISSUER**

**Schneider Electric SE**  
35, rue Joseph Monier  
92500 Rueil-Malmaison  
France  
Tel: +33 (0) 1 41 29 70 00

**ARRANGER**

**BNP PARIBAS**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**DEALERS**

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**BNP PARIBAS**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Crédit Agricole Corporate and Investment Bank**  
9, quai du Président Paul Doumer  
92920 Paris La Défense Cedex  
France

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**Natixis**  
30, avenue Pierre Mendès France  
75013 Paris  
France

**Société Générale**  
29, boulevard Haussmann  
75009 Paris  
France

**The Royal Bank of Scotland plc**  
135 Bishopsgate  
London EC2M 3UR  
United Kingdom

**FISCAL AGENT, PRINCIPAL PAYING AGENT AND CALCULATION AGENT**

**BNP Paribas Securities Services**  
**(affiliated with Euroclear France under number 29106)**  
Les Grands Moulins de Pantin  
9, rue du Débarcadère  
93500 Pantin  
France

**LUXEMBOURG LISTING AGENT**

**BNP Paribas Securities Services, Luxembourg Branch**

33, rue Gasperich, Howald-Hesperange  
L-2085 Luxembourg  
Grand Duchy of Luxembourg

**STATUTORY AUDITORS**

**Mazars**

Tour Exaltis  
61, rue Henri Regnault  
92075 La Défense Cedex  
France

**Ernst & Young & Autres**

Tour First – 1, place des Saisons  
92037 Paris La Défense Cedex  
France

**LEGAL ADVISERS**

**To the Issuer**

*in respect of French law*

**Herbert Smith Freehills Paris LLP**

66, avenue Marceau  
75008 Paris  
France

**To the Dealers**

*in respect of French law*

**Linklaters LLP**

25, rue de Marignan  
75008 Paris  
France