

## **Schneider Electric Annual Shareholders' Meeting on April 25, 2016**

**Rueil-Malmaison (France), April 26, 2016** – The shareholders of Schneider Electric SE met in the combined ordinary and extraordinary Annual Meeting, chaired by Jean-Pascal Tricoire, Chairman and CEO, on April 25, 2016 to listen to the reports of the Board of Directors and statutory auditors and to approve the 2015 financial statements, to approve the evolutions suggested in the Board composition, to give their opinion on executive directors' compensation (Say on Pay) and to renew all the expiring financial authorizations given to the Board of Directors.

### **I. Strategy of the Group, Performance in 2015, Governance**

During the meeting, **Jean-Pascal Tricoire**, Chairman and CEO, presented Schneider Electric's strategy: the company is positioned as a leader in the technologies of energy transition, with 4 businesses well exposed to long-term structural growth markets. Alongside sustainability, innovation is a key part of the strategy and the investments of the Group. The values brought to customers by Schneider Electric are enriched by the connectivity. Jean-Pascal Tricoire illustrated this enrichment through 2 examples: the augmented reality enables industries to improve their operational efficiency, while the residential application Wiser Link brings higher safety and savings through the connected electrical panel.

Jean-Pascal Tricoire then detailed Schneider Electric's business model, focused on its core activities with strong growth levers. The model is based on a balanced geographical coverage and exposure to end-markets, a balance between products and solutions, an integrated organization bringing strong commercial synergies, a flexible cost structure and a high-level of cash generation. Thanks to these strong assets, the Group reconfirms its long-term targets and has taken strong commitments in favour of its shareholders.

Jean-Pascal Tricoire also paid tribute to the directors whose mandate expired, Messrs Noël Forgeard, Jeong Kim and Rick Thoman.

**Emmanuel Babeau**, Deputy CEO in charge of Finance and Legal Affairs presented the 2015 financial results and commented on the Group's performance for the first quarter of 2016. Based on the trends seen in the first quarter, the Group confirms its 2016 targets:

- Organic revenue growth to be flat to down low single-digit, impacted by the Group's higher selectivity on project activities
- +20bps to +60bps improvement on adjusted EBITA margin before FX. The negative FX impact on margin is estimated at -40bps to -50bps at current rates.

Emmanuel Babeau reaffirmed the Group's objective to generate an attractive return for its shareholders. Schneider Electric confirms its commitment to a €1.5bn share buyback over 2015-2016. The Group has also put in place a progressive dividend policy, with no year on year decline, reflecting its confidence in terms of growth perspective. The Group continues to target a dividend pay-out ratio at about 50% of net income.

**Leo Apotheker**, Vice-chairman independent lead director, reminded the set-up of governance as set in place since 2013, pointing out the efficiency of the structure put in place in order to ensure an independent control of the executive committee and of the CEO. Commenting the results from the Board self-assessment, he emphasized the very good level of transparency from the executive officers and the management towards the Board. He presented the changes in the board composition. He explained the compensation policy for the management and presented the elements of the 2015 compensation for the executive officers, subject to shareholder consultative vote (Say on Pay). In addition, he reminded the assembly about the impact of the removal of the executive officers' top hat pension plan, and the savings resulting from this removal for the company. Presenting the authorization regarding the granting of free/ performance shares and stock options, he underlined that the criteria for performance are in line with the best practices.

## **II. Key results of the vote at the Annual Shareholders' Meeting:**

The quorum of the assembly reached 64.76%. Shareholders approved all of the resolutions on the agenda. They have thus:

- approved the 2015 financial statements and the payment of a dividend of €2.00 per share payable on May 9, 2016;
- given a favorable opinion on the elements of executive officers' 2015 compensation;
- approved proposed changes relating to the composition of the Board of Directors, with notably the appointment of two new directors, Cécile Cabanis and Fred Kindle, and the renewal of 4 mandates;
- approved the financial authorizations given to the Board of Directors to proceed to granting free/ performance shares and stock options as well as continuing the annual capital increase operation in favor of employees.
- renewed the authorization enabling the Group to pursue its share buyback program

The full results of the vote are posted on the Group website [www.schneider-electric.com/finance](http://www.schneider-electric.com/finance)

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The presentation and the replay of the webcast of the Annual Shareholders' Meeting are available on our website at [www.schneider-electric.com/finance](http://www.schneider-electric.com/finance)

Half-year financial results and second quarter sales will be released on July 28, 2016.

## About Schneider Electric

Schneider Electric is the global specialist in energy management and automation. With revenues of ~€27 billion in FY2015, our 160,000+ employees serve customers in over 100 countries, helping them to manage their energy and process in ways that are safe, reliable, efficient and sustainable. From the simplest of switches to complex operational systems, our technology, software and services improve the way our customers manage and automate their operations. Our connected technologies reshape industries, transform cities and enrich lives. At Schneider Electric, we call this **Life Is On**.

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Investor Relations  
Schneider Electric  
Anthony Song  
Tel: +33 (0) 1 41 29 83 29  
Fax : +33 (0) 1 41 29 71 42  
[www.schneider-electric.com](http://www.schneider-electric.com)  
ISIN : FR0000121972

Press Contact :  
Schneider Electric  
Véronique Roquet-Montégon  
Tel : +33 (0)1 41 29 70 76  
Fax : +33 (0)1 41 29 88 14