

# Let's invest in ourselves

**wesop 2016**

From 1 to 29 April, participate  
in the 2016 World Employee Share  
Ownership Plan (WESOP).

 STEP UP

Life Is On

**Schneider**  
Electric

# A leader in a market with attractive long-term drivers

## A company with attractive long-term trends

**Energy efficiency:** Global warming is a key challenge faced by nations worldwide and energy efficiency is the quickest way to reduce carbon... and save money! Two thirds of the world's energy efficiency potential remains untapped, which represents a huge opportunity for Schneider Electric across its businesses.

**Energy transition:** The electrical grid is rapidly evolving with power generation moving closer to consumption points due to the rise of renewable energies. Our company connects renewable farms to the grid and provides low and medium voltage offers for grid and Distribution Management Software.

**IoT\* for industry:** There is a growing demand for smart connected offers in the industrial space in order to improve business decisions and drive operational efficiency using real-time data. Schneider Electric has a comprehensive portfolio and is a leading industrial software player thanks to Invensys.

\* Internet of Things.

## Ambitious long-term financial targets

**The Group aims to deliver profitable growth with the following targets:**

- Revenues: to grow at an average organic<sup>1</sup> rate of 3 to 6%
- Adjusted EBITA<sup>2</sup> margin range of 13 - 17%
- ROCE (Return on Capital Employed)<sup>3</sup>: between 11% and 15%

## Focus on profit in a low-growth environment

In a lower-growth macroeconomic environment in the short-term, Schneider Electric focuses on improving its profitability. As highlighted in the Simplification initiative of the Company program, the Group targets to simplify its management set-up and to make the company leaner, further increase supply-chain productivity and optimize R&D efficiency and solution execution. The Group also aims to optimize its portfolio and strengthen its focus on core businesses while remaining open to bolt-on acquisitions in its most profitable businesses.

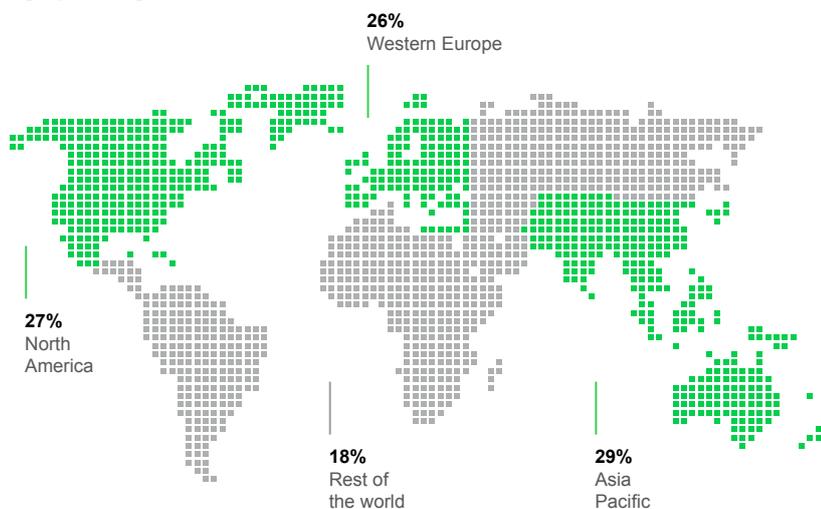
### Schneider Electric Key Figures on 31 December 2015

Over 160,000 employees

Revenues €26.6 billion in over 100 countries

Adjusted EBITA €3.6 billion

### Our revenue breakdown by geographic region in 2015



### Sponsorship COP21

Our solutions were showcased during the COP21 last December in Paris. Electrical vehicles used by conference participants were charged with our Wallbox. Our WorkPlace Efficiency solution equipped the COP buildings, gathering data from connected systems, devices, sensors, and occupants for centralized work environment management. Additionally our teams participated in energy transition conferences.

### Our EcoBlade solution

Schneider Electric announced in the COP21 exhibition the launching of EcoBlade, a scalable energy storage system for domestic, IT, industrial or commercial environments. In a home equipped with solar panels, for example, individuals can use the energy generated by EcoBlade for personal consumption or for resale on a micro-grid. Commercialization will start in 2016 in the USA and Europe.

<sup>1</sup> Organic: excluding foreign exchange and scope impacts (acquisitions & disposals).

<sup>2</sup> EBITA: Earnings Before Interests, Taxes and Amortization. The EBITA refers to a company's earnings before the deduction of interest, taxes and amortization expenses. This financial indicator is widely used to measure efficiency and profitability. Adjusted EBITA: corresponds to the Group's operational margin.

<sup>3</sup> ROCE: Return on Capital Employed. The ROCE is the primary measure of how efficiently a company utilizes all available capital to generate additional profits.

# If Schneider wins, each of us wins



I am pleased to announce the launch of the 2016 Worldwide Employee Share Ownership Plan (WESOP) in 33 countries covering approximately 130,000 employees. This edition of our 21<sup>st</sup> WESOP demonstrates our commitment to investing and sharing our collective performance and successes with you by giving you the possibility to become Schneider Electric shareholders on preferential conditions.

“ Building on the previous success of the WESOP program, we want to continue to share our collective success, fostering a positive work environment in which we recognize our joint achievements. ”

As the markets are becoming more and more competitive, we must become more ambitious for ourselves, more obsessed with beating the competition and growing our business. WESOP is part of our Rewards program in the frame of our High Performance Culture philosophy. Building on the previous success of the WESOP program, we want to continue to share our collective success, fostering a positive work environment in which we recognize our joint achievements. If Schneider wins, each of us wins.

Last year, in a difficult context, approximately 43,000 of you subscribed and our employees now hold about 4% of Schneider Electric's capital. I am grateful for the trust you invest in the company by becoming its shareholders. Schneider Electric is currently one of the unique few companies worldwide to offer this kind of benefits to its employees every year.

In 2016, in an unpredictable and extremely challenging business environment, we will need to be faster, smarter and even more collaborative as a team to achieve our objectives and to win together in the marketplace.

I strongly believe that this 2016 WESOP is a wonderful opportunity to share our common success, as a team.

I would like to thank you once again for your engagement to grow our business but also to invest in our company.

Jean-Pascal Tricoire  
Chairman & CEO

# Being a shareholder of Schneider Electric

## An attractive dividend policy

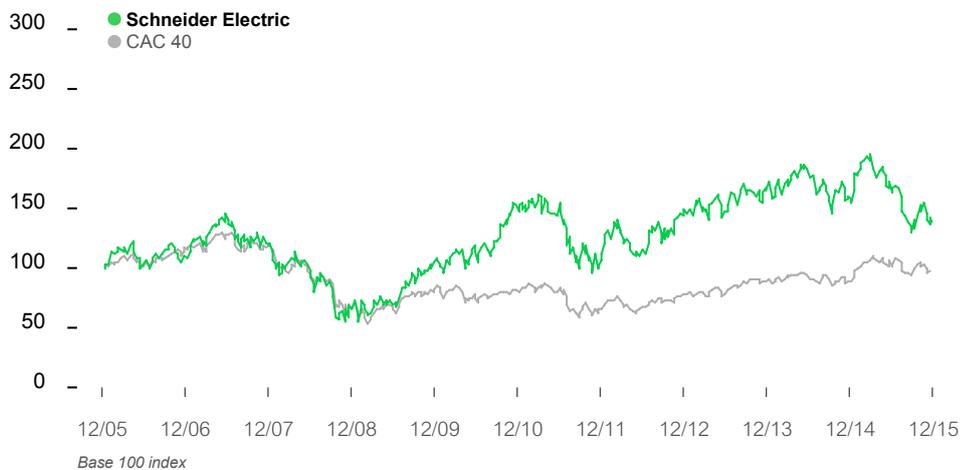
The dividend is a portion of the Group net income distributed to shareholders. It is approved by shareholders during the General Annual meeting.

Schneider Electric pays out about 50% of its net income to shareholders in dividends and has taken a commitment to systematically maintain or increase the dividend, year over year, over the course of the company program Schneider Is On.

In a low interest rate environment, investing in Schneider Electric shares offers an attractive dividend yield (3.5% over the past 10 years).

## Share price trend over the past 10 years

From 2006 to 2015, the Schneider Electric stock grew 40% while the CAC40 Index decreased -2%.



### Invest in 2016 WESOP to:

#### > Take part in Schneider Electric performance

By investing in Schneider Electric shares, you participate even more closely in its successes and strategy: producing more with less, promoting access to electricity for everyone and coping with the challenges of climate change.

#### > Invest for the long-term

Shares are still the most effective long-term investment. For example, the Schneider Electric share increased by 6% a year over 10 years (2006-2015). The best way to invest is to put money in regularly every year to smooth the ups and downs of the stock market.

# Invest in Schneider Electric 2016 WESOP

## How does it work?

You can participate in the 2016 World Employee Share Ownership Plan (WESOP) and invest in Schneider Electric SE shares. Schneider Electric SE shares are subscribed:

- at a 20% discount;
- with the benefit of an employer matching contribution<sup>1</sup>, if decided by your employer;
- in your name through an Employee Shareholding Fund (in French *Fonds Commun de Placement d'Entreprise* – FCPE) in which you will hold units managed by the bank Natixis Interépargne.

Your investment will allow you to benefit fully from eventual increase in the market price of the share, while also bearing the risk of decrease. You can submit your subscription request electronically on the dedicated secure website [www.wesop.schneider-electric.com](http://www.wesop.schneider-electric.com). Before subscribing, please refer to the information available on the dedicated website: [www.schneider-shareplan.com](http://www.schneider-shareplan.com)

## The FCPE...what is it?

It is an Employee Shareholding Fund governed by the French Monetary and Financial Code. Its sole purpose is to hold shares for employee shareholders in plans such as the Schneider Electric WESOP.

Both "Schneider Relais International 2016" and "Schneider Actionnariat Mondial" FCPEs are invested almost exclusively in Schneider Electric SE shares.

The FCPE is divided into units of equal value, and each of these units represents an interest in the shares held by the FCPE. The units are not transferable and cannot be listed on a stock exchange market, unlike shares.

The FCPE is controlled by a Supervisory Board made up of at least 50% of representatives of Schneider Electric employees and 50% of representatives of Schneider Electric management who all hold units in the fund.

### How does it work?

When you participate in WESOP, your personal investment and the employer matching contribution, if any, are placed in a temporary fund: the "Schneider Relais International 2016" which acquires shares on your behalf and then shortly afterwards is merged into the permanent "Schneider Actionnariat Mondial" fund. Dividends, if any, are reinvested every year in the "Schneider Actionnariat Mondial" fund, and increase the value of each unit.

<sup>1</sup>Please refer to the *Country Supplement* (which contains country specific legal and tax information) for more information on the matching contribution amount available from your employer.

## Who can subscribe?

**Employees of any company participating in the Schneider Electric International Employee Shareholding Plan (IESP), who have worked for at least 3 months in one or more Schneider Electric Group company on the last day of the revocation period, which is 14 June 2016, and who are still employed on such day.**

## When to subscribe?

From 1 to 29 April, 2016 (17:00 Indian standard time) inclusive.

## How to subscribe?

You can subscribe on the dedicated online reservation site [www.wesop.schneider-electric.com](http://www.wesop.schneider-electric.com). In case you wish to submit a paper subscription form, it will need to be received within the same period by your local Human Resources Department.

Before subscribing, we urge you to consult the dedicated website [www.schneider-shareplan.com](http://www.schneider-shareplan.com).

## What is the minimum subscription amount?

You can subscribe with just INR 700.

## What is the maximum subscription amount?

The total amount of your investment this year in the 2016 WESOP cannot be more than 25% of your gross annual earnings (including bonuses) for 2015. The employer matching contribution, if any, is not included as part of your earnings for the purpose of this calculation.

## When will the subscription price be known?

The subscription price is expected to be determined on 7 June 2016 (unless the plan is for any reason suspended). Thus, your reservation in the 2016 WESOP will be made before the price is fixed. Once the subscription price is fixed on 7 June 2016, it will be displayed in notices on your company premises and on [www.schneider-shareplan.com](http://www.schneider-shareplan.com).

## How is the subscription price fixed?

The subscription price will be equal to the "reference price" minus a 20% discount. The reference price will be the average of the opening price of the Schneider Electric SE share on the Paris stock exchange from 10 May to 6 June 2016 (inclusive).

## What do you need to do if you change your mind after the reservation period?

If you decide not to proceed with your subscription to the 2016 WESOP, you must fill out a paper revocation form that you can obtain from your Human Resources Department.

In order to be valid, your revocation form must be received by your Human Resources Department no later than 14 June 2016 (17:00 Indian standard time) inclusive. If you do not submit a timely revocation, your reservation will automatically become a definitive and firm subscription order and you will no longer have the right to cancel it.

For further information on the subscription, dates, methods of payment, subscription price, consult the dedicated website [www.schneider-shareplan.com](http://www.schneider-shareplan.com), Spice Employee Portal, or your respective Human Resources Spoc.

## What are the methods of payment?

Please consult the *Country Supplement* (which contains country specific legal and tax information) accompanying this brochure for more information about the methods of payment available in your country.

# Investing in the Classic Offer

## You choose to:

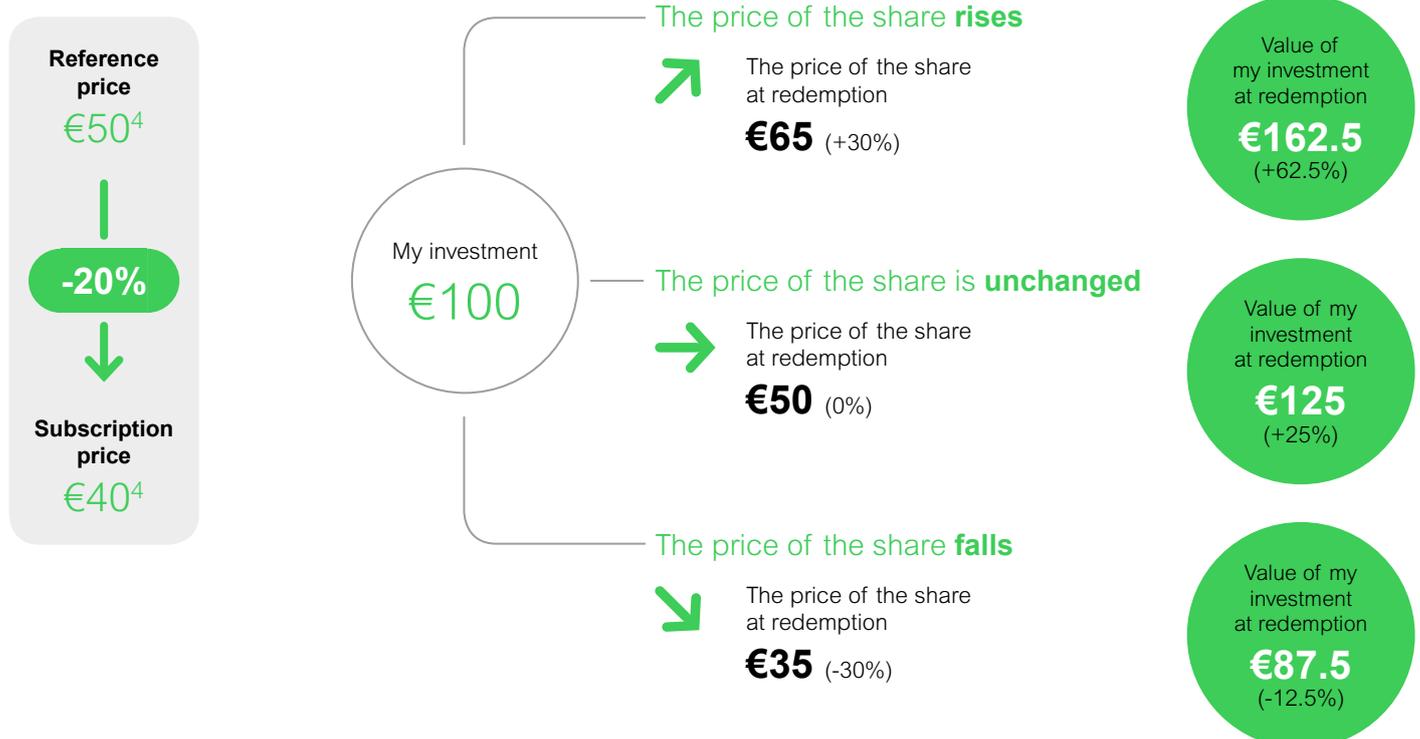
- > invest in Schneider Electric SE;
- > benefit from a 20% discount on the reference price;
- > benefit from an employer matching contribution up to a maximum of INR 102,750<sup>1</sup>, if decided by your employer (specific procedure applies to SEIL and SEPSL);
- > benefit from any dividends (which will be reinvested directly into the "Schneider Actionnariat Mondial" FCPE);
- > benefit in full from eventual increase in the price of the Schneider Electric SE share, while bearing the risk of loss in case of decrease in excess of the discount and matching contribution, if any (after taxes)<sup>2</sup>;
- > keep your investment locked in for 5 years, unless you are eligible for or subject to a case of early redemption.

At the end of the 5-year holding period you can keep your investment until the date you choose without paying any custodian charges if you remain a Schneider Electric Employee. This gives you the freedom to sell your assets when you consider the value of the Schneider Electric SE share is best for you.

<sup>1</sup> Please refer to the *Country Supplement* for more information on the matching contribution amount available from your employer.

<sup>2</sup> You can track the changing value of your investment in the FCPE by tracking the value of a unit. You may do so by logging on to the "Savers & Employees" area of the Natixis Intéropargne website ([www.interepargne.natixis.com](http://www.interepargne.natixis.com)) with your access codes.

# Understanding the Classic Offer<sup>3</sup>



<sup>3</sup> Hypothetical simulations. Please note that the simulations presented above do not take into account any employer matching contribution, dividends or taxes. Please refer to the attached *Country Supplement* for information on the income and social security taxes that may apply in your country, as well as on the employer matching contribution rules that apply in your country, if decided by your employer.

<sup>4</sup> These prices are given as examples. The reference and subscription prices will be communicated on 7 June 2016.

## Subscription ceiling and methods of reduction

The maximum number of shares that may be offered in the 2016 WESOP is 3.7 million newly issued shares (that is approximately 0.63% of the share capital), to be allocated between the Schneider Electric Group Savings Plan and the Schneider Electric International Employee Shareholding Plan. The subscription price, the final number of shares offered and their allocation are expected to be determined by the Deputy Chief Executive Officer, upon delegation of the Board of Directors. The subscription price will be published on 7 June 2016 in your company's premises and on the dedicated website [www.schneider-shareplan.com](http://www.schneider-shareplan.com).

If the number of shares requested exceeds the number of shares allocated to the Schneider Electric International Employee Shareholding Plan, the following reduction formula will be applied:

- > a ceiling for shares available per subscriber will be calculated as follows: the maximum number of shares offered divided by the number of subscribers;
- > orders that are equal to or below this ceiling will be served in full;
- > orders that are above the ceiling will be served in full up to the ceiling amount, and on a pro rata basis above this amount, to the extent of the shares available.

## The Procedure for Early and Mandatory Exit Cases

In consideration for the preferential terms that are offered to you as a Schneider Electric employee, your investment must be held for at least 5 years, i.e. up to and including 30 June 2021. Nevertheless, under certain circumstances, you can or must have all or part of your investment redeemed early.

For instance, it is mandatory to request the redemption of all your WESOP investments in case your employment contract with Schneider Electric Group is terminated for any reason, including dismissal or retirement. Please also note that the cases of early redemption and the cases of mandatory redemption may vary from one country to another: for your country, those cases are described in the Country Supplement (which contains country specific legal and tax information) provided together with this brochure and available on [www.schneider-shareplan.com](http://www.schneider-shareplan.com).

### Reminder

#### **This is a private offering reserved for eligible employees of the Schneider Electric Group**

The securities being offered for sale in this offering have not been recommended by any governmental securities commission or regulatory authority. Nor have any of these authorities confirmed the accuracy or determined the adequacy of this document or any other materials being distributed or made available to you in connection with this offering.

#### **In most countries, participating in this offering will have tax consequences for the participant**

Although a general tax summary is provided in the Country Supplement (which contains country specific legal and tax information) accompanying this brochure, neither Schneider Electric nor your employer is providing any tax advice and you should consult your own tax advisor for advice regarding the tax consequences of participating in this offering.

#### **Furthermore, neither Schneider Electric nor your employer is giving investment advice with respect to this offering**

Investing is a personal decision that you must make yourself, taking into account your financial resources, your investment goals, your personal tax situation and any other investment alternatives available to you. In this regard, you are encouraged to consider the diversification of your investment portfolio to ensure that the risk that you assume is not unduly concentrated on any single investment.

#### **Your decision whether or not to participate in this offering is entirely personal and is entirely voluntary**

Your decision will have no effect, either positive or negative, on your employment within the Schneider Electric Group. Nothing contained in this document or in any other materials distributed or made available to you in connection with this offering plan shall confer on you any right or entitlement respecting your employment. Participating in this offering is separate from and does not form part of your employment agreement.

#### **The completion of the share issuance is subject to the decision of the Schneider Electric SE Deputy Chief Executive Officer to launch the offering**

This decision is expected to be taken on 7 June 2016, when the Deputy Chief Executive Officer, upon delegation of the Board of Directors, will fix the subscription price, the dates of the revocation period and the exact number of shares offered. In the event the Deputy Chief Executive Officer decides not to pursue the offering, any reservation orders previously submitted will be cancelled, without compensation or indemnification, and notices will be posted on your company's premises and on [www.schneider-shareplan.com](http://www.schneider-shareplan.com). Following the issue of the new shares, Schneider Electric will request their admission to listing on the French Stock Exchange, Euronext Paris (Compartment A). These shares will all be ordinary shares carrying the same rights as the other existing ordinary shares.

# wesop 2016 in a nutshell!

## Key dates



**1 to 29 April 2016**  
Reservation period



**7 June 2016**  
Subscription price setting  
and Communication of  
the Subscription price



**8 to 14 June 2016**  
Revocation period



**12 July 2016**  
Capital increase  
(Share delivery)

## Main features



A single  
“Classic” offer



**20%** discount on the  
Schneider Electric share  
reference price



**A matching  
contribution**  
from your employer, if any  
(specific procedure applies  
to SEIL and SEPSL -  
see country supplement)



A minimum  
investment of  
**INR 700**



A maximum investment of  
**25% of your gross annual earnings**  
(including bonuses) for 2015.  
The employer matching contribution, if any, is not included  
in your earnings for the purpose of this calculation.

More information on

Our dedicated website: [www.schneider-shareplan.com](http://www.schneider-shareplan.com)

Enter upon request the following details: *login* WESOP *password* WESOP2016

The new WESOP mobile application!

Your respective Human Resources Spoc

Your local Human Resources Department

The information contained in this brochure constitutes a simplified presentation of the 2016 WESOP and the Classic Offer. For more detailed information, please refer to the rules of the International Employee Shareholding Plan (IESP), the Key Investor Information Document and the regulations of the “Schneider Relais International 2016” FCPE and the “Schneider Actionnariat Mondial” FCPE, available on the dedicated website [www.schneider-shareplan.com](http://www.schneider-shareplan.com) and Spice Employee Portal. We strongly encourage you to read these.

Before deciding to invest in this plan, we also encourage you to consult the latest Schneider Electric annual report and the updates thereto. These contain important information regarding the Schneider Electric Group, its businesses, management, strategy, financial results and financial statements, as well as information regarding the risks that it may confront. This and other financial information may be obtained in English or in French on our website at [www.schneider-electric.com](http://www.schneider-electric.com).

### Schneider Electric SE

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A French *Société européenne* capitalized  
at 2,354,937,888 euros  
Nanterre Trade Register No. 542 048 574

Life Is On

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