Let's invest in ourselves

From 3 April to 2 May, participate in the 2017 World Employee Share Ownership Plan (WESOP).
Schneider Electric Today

Let’s be proud of what we do!

**France**
One of the world’s steel giants wanted to reduce the energy consumed per steel ton produced while improving quality with integrated solutions of power, control and energy efficiency. Our variable speed drive ATV1200 installed in their dust collection system has brought efficiency, connectivity and security.

**USA**
Since 2007, AEG, the entertainment giant based in Los Angeles, has worked with Schneider Electric to reduce the environmental impact of its facilities across the world. As a result: 63% reduction in waste and $3 million in energy savings.

**West Africa**
Changing lives through our energy solution Microsol in 8 African countries. These multi energy power plants will provide access to energy for almost 100,000 people, which will be used for irrigation, lighting, fish farms, agricultural processing and delivering drinking water, without releasing CO₂.

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**#Innovation**
Schneider Electric renews its strategic research partnership with CEA Tech for 5 years. The Group aims to carry out exclusive R&D projects in key areas to contribute to collaborative projects for validating prototypes, and finally to accelerate the transfer of technologies and their integration in industrial areas.

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**Invest with 2017 WESOP means to...**

> Take part in Schneider Electric’s performance
As reflected in the share price.

> Benefit from an attractive dividend policy
The dividend is a part of the Group net income distributed to shareholders. Over the course of the company program Schneider Is On, Schneider Electric has committed to each year maintain or increase the dividend.

> Invest for the long term
According to us at Schneider, the shares are still the most effective long-term investment. The best way to invest is to put money in regularly every year to smooth the ups and downs of the stock market.

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**Schneider Electric Key Figures on 31 December 2016**

- Over **170,000** employees
- Revenues **€24.7 billion** in 2016 in over **100** countries
- Adjusted EBITA **€3.5 billion** in 2016

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**Current WESOP employee shareholders are:**

- 22 plans, and **10** in a row
- **4%** of Schneider Electric capital

Around **70,000** employees

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Find more information on [www.schneider-electric.com/ww/en/](http://www.schneider-electric.com/ww/en/) or /fr/
Let’s continue to share our collective achievements through the WESOP program

It is with great pride that we are opening our 2017 Worldwide Employee Share Ownership Plan (WESOP).

Last year, approximately 43,000 of you subscribed resulting in 4.7% of Schneider Electric’s capital held by employees. I am grateful for the trust you invest in the company by becoming its shareholders. Schneider Electric is currently one of the few companies worldwide to offer this kind of benefit to its employees every year.

Our 22nd edition of the WESOP is offered to about 120,000 employees in 32 countries. This program reflects our commitment to providing you a tangible link with the group performance, by giving you the possibility to become shareholders on preferential conditions.

Owning shares in the company we work in every day gives us an extra stake, and when we perform better collectively, each of us benefits.

As the markets are becoming increasingly competitive, we must become more ambitious for ourselves and innovate for our customers in order to gain market share over our competitors.

I strongly believe that the 2017 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.

Join me in investing in our future together and sharing our collective success.

Jean-Pascal Tricoire
Chairman & CEO

“ I strongly believe that the 2017 WESOP is a wonderful opportunity to share our common success, as a team. ”
Invest in Schneider Electric 2017 WESOP

For any information, a dedicated website, now mobile compatible

www.infowesop.schneider-electric.com

> login: WESOP
> password: WESOP2017

How does it work?

You can participate in the 2017 World Employee Share Ownership Plan (WESOP) and invest in Schneider Electric SE shares.

Schneider Electric SE shares are subscribed:

> at a 15% discount;
> with the benefit of an employer matching contribution1;
> 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 secure website www.wesop.schneider-electric.com.

Before subscribing, please refer to the information available on the dedicated website.

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 13 June 2017, and who are still employed on such day.

1 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.
When to subscribe?
From 3 April to 2 May 2017 (17:00 Indian standard time) inclusive.

How to subscribe?
You can subscribe on the secure online reservation site 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.infowesop.schneider-electric.com, which includes important information about 2017 WESOP.

What is the minimum subscription amount?
You can subscribe with just INR 750.

What is the maximum subscription amount?
The total amount of your investment this year in the 2017 WESOP cannot be more than 25% of your gross annual earnings (including bonuses) for 2016. The employer matching contribution, if any, is not included as part of your earnings for the purpose of this calculation.

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 2017 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 13 June 2017 (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, Spice Employee Portal, or your respective Human Resources Spoc.

When will the subscription price be known?
The subscription price is expected to be determined on 6 June 2017 (unless the plan is for any reason suspended). Thus, your reservation in the 2017 WESOP will be made before the price is fixed.

Once the subscription price is fixed on 6 June 2017, it will be displayed in notices on your company premises and on the dedicated website.

How is the subscription price fixed?
The subscription price will be equal to the “reference price” minus a 15% discount. The reference price will be the average of the opening price of the Schneider Electric SE share on the Paris stock exchange from 9 May to 5 June 2017 (inclusive).

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.

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 2017” 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 are placed in a temporary fund: the “Schneider Relais International 2017” which acquires shares on your behalf and then shortly afterwards is merged into the permanent “Schneider Actionnariat Mondial” fund, subject to the FCPE’s Supervisory Board and AMF approval.

Dividends, if any, are reinvested every year in the “Schneider Actionnariat Mondial” fund, and increase the value of each unit.
Investing in the Classic Offer

You choose to:

> invest in Schneider Electric SE;
> benefit from a 15% discount on the reference price;
> benefit from an employer matching contribution up to a maximum of INR 101,0001, 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)2;
> keep your investment locked in for 5 years, unless you are eligible for or subject to a case of early redemption.

1 Please refer to the Country Supplement for more information on the matching contribution amount available from your employer.
2 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 Interépargne website (www.interepargne.natixis.com) with your access codes.

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.

Understanding the Classic Offer3

The price of the share falls

The price of the share at redemption
€35 (-30%)

Value of my investment at redemption
€82.35 (-17.65%)

The price of the share is unchanged

The price of the share at redemption
€50 (0%)

Value of my investment at redemption
€117.65 (+17.65%)

The price of the share rises

The price of the share at redemption
€65 (+30%)

Value of my investment at redemption
€152.94 (+52.94%)

1 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.
2 These prices are given as examples. The reference and subscription prices will be communicated on 6 June 2017.
Subscription ceiling and methods of reduction

The maximum number of shares that may be offered in the 2017 WESOP is 3.7 million newly issued shares (that is approximately 0.62% 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 6 June 2017 in your company’s premises and on the dedicated website.

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:

\[ \text{Subscription ceiling available} = \frac{\text{Subscription amount} - \text{Number of shares allocated}}{\text{Number of subscribers}} \]

If 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 2022. 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.infowesop.schneider-electric.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 6 June 2017, 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 the dedicated website. 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.
Key dates

3 April to 2 May 2017
Reservation period

6 June 2017
Subscription price setting and Communication of the Subscription price

7 to 13 June 2017
Revocation period

11 July 2017
Capital increase (Share delivery)

Main features

- A single “Classic” offer
- 15% 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 750
- A maximum investment of 25% of your gross annual earnings (including bonuses) for 2016. The employer matching contribution, if any, is not included in your earnings for the purpose of this calculation.

More information on

- Our dedicated website, now mobile compatible: www.infowesop.schneider-electric.com
  Enter upon request the following details: login WESOP, password WESOP2017
- Your respective Human Resources Spoc
- Your local Human Resources Department

The information contained in this brochure constitutes a simplified presentation of the 2017 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 2017” FCPE and the “Schneider Actionnariat Mondial” FCPE, available on the dedicated website and on 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 (Registration Document) 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. For a description of certain risks concerning Schneider Electric, please see the first section of the Annual Report under “Risk Factors”. This and other financial information may be obtained in English or in French on our website at www.schneider-electric.com/ww/en/ or /fr/.

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