
Press release

Schneider Electric details the setup of the new governance structure, to be proposed at the next Annual Shareholder's Meeting for approval

Rueil-Malmaison (France), February 22, 2013 – In the meeting held on February 20, 2013, the Supervisory Board of Schneider Electric detailed the setup of the new governance structure announced on December 18, 2012. Provided it is approved at the next Annual Shareholder's meeting on April 25, 2013, the Group will adopt a single board structure with a Board of Directors (*Conseil d'Administration*) and Jean-Pascal Tricoire will be named Chairman and Chief Executive Officer (*Président Directeur Général*). This proposal, under the initiative of Henri Lachmann, is the result of over two years' work by both the Board and the Remuneration, Nomination and Human Resources Committee.

The Supervisory Board aims to establish efficient controls to guarantee that the future Board of Directors will be well informed and in a position to fully carry out its controlling responsibility over the management of the company.

Therefore, the Board of Directors will be composed of a majority of independent members and a Vice Chairman Lead Director will be nominated - in application of the by-laws. In addition, the internal regulations of the Board of Directors, to be published, will provide for an executive session in every board meeting, the establishment of four committees and the limitation of power of the Chairman and CEO.

If approved at the next Annual Shareholder's Meeting, all the existing members of the Supervisory Board (for the remaining duration of their terms) and Jean-Pascal Tricoire will be nominated as directors of the new Board. In that case, 80% of the Board members will be independent and Jean-Pascal Tricoire will be the only executive Board member.

The Board of Directors will name a Vice Chairman Lead Director, whose role and responsibilities will be defined in its internal regulations. The Vice Chairman shall:

- be kept informed of major events of the Group through regular contacts and meetings with the Chairman and CEO and key executives of the Group,
- prepare board meeting agendas with the Chairman and CEO,
- be a point of contact for shareholders so as to provide feedback on governance issues to the Board,
- chair executive sessions,
- chair the Governance Committee, which will be responsible for the assessment of the Board.

Henri Lachmann will take on the role of Vice Chairman Lead Director up to the end of his term as director in 2014. His mission will be to ensure a smooth transition in the governance structure and to support the independent Vice Chairman Lead Director succeeding him in his new role.

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Communiqué de presse

To avoid any risk of Board dysfunctions, each Board meeting agenda will include an executive session. At the initiative of the Vice Chairman or any Board member, the Vice Chairman will decide whether such a session should be held and will present the conclusions to the Chairman and CEO.

In order to reinforce the Board's role and involvement in the oversight of the Group, four committees will be established:

- The Governance Committee, to be chaired by the Vice Chairman Lead Director
- The Audit Committee, to be chaired by Gérard de La Martinière
- The Human Resources & Corporate Social Responsibility Committee, to be chaired by Serge Weinberg
- The Strategy Committee to be chaired by Xavier Fontanet.

In the future, the Board will remain flexible with respect to the combination of the Chairman and CEO roles and will reconsider on a yearly basis the combination of these roles.

The Notice of the Annual Shareholder's meeting will be published at Balo early March. The internal regulations proposal for the Board of Directors will be published on the same date.

The Supervisory Board also paid tribute to M. Jeong Kim, who resigned from the Supervisory Board following his nomination as Minister of Innovation and Sciences of South Korea.

About Schneider Electric

As a global specialist in energy management with operations in more than 100 countries, Schneider Electric offers integrated solutions across multiple market segments, including leadership positions in Utilities & Infrastructures, Industries & Machine manufacturers, Non-residential buildings, Data centers & Networks, and in Residential. Focused on making energy safe, reliable, efficient, productive and green, the Group's 140,000 plus employees achieved sales of 24 billion euros in 2012, through an active commitment to help individuals and organizations make the most of their energy.

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