

## Release on AFEP/MEDEF recommendations

### **ANNOUNCEMENT ON THE ELEMENTS OF REMUNERATION AND BENEFITS GRANTED TO CORPORATE OFFICERS IN APPLICATION OF AFEP/MEDEF RECOMMENDATIONS**

Rueil-Malmaison (France), February 27, 2009

#### **I. Measures concerning remuneration of members of the executive committee**

- **Determining the bonus for 2008**
- **Setting the fixed part and criteria for the 2009 bonus**
- **Attributing stock options and performance shares**

At the meetings held on December 17 and February 18 2009, the supervisory board has set the elements of remuneration due for the 2008 and 2009 financial years to Messrs. Jean-Pascal Tricoire and Pierre Bouchut out of their presence. In this way, it has determined:

- their bonus for 2008;
- the number of stock options subjected to performance conditions and performance shares attributed to each of them for the 2009 financial year;
- the criteria and conditions on which the benefits of these options and action shares are dependent;
- the fixed part of their remuneration for 2009. This remains unchanged compared with 2008.
- the criteria for the 2009 bonus.

These elements of remuneration and their valuation, details of which are given in the reference document, are presented below:

#### **Setting the 2008 bonus**

	2008 bonus ratio compared with maximum bonus	2008 bonus	2007 bonus ratio compared with maximum bonus	2007 bonus	Variation 2007/2008
JP. Tricoire	69%	€ 1,063,350	90%	€ 1,260,000	- 15.6%
P. Bouchut	59%	€ 282,375	84%	€ 381,427	- 26%

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**Setting target remunerations for 2009; unchanged compared with 2008.**

	Fixed part	Variable part
JP. Tricoire	€ 765,000	Variability from 0 to 200%
P. Bouchut	€ 401,000	Variability from 0 to 120%

### Attribution of stock options and performance shares

Jean-Pascal TRICOIRE	Year 2009	Year 2008
Options attributed for the period	<b>45,000 (*)</b>	63,000
Striking price	€ 52.12	€ 92
(Valuation to IFRS standards)	(€ 491,400)	(€ 1,067,220)
Performance shares attributed for the period	<b>11,250 (*)</b>	6,750
(Valuation to IFRS standards)	(€ 504,000)	(€ 488,835)

(\*) 100 % of the options and shares attributed for 2009 are subject to performance conditions and 50 % for shares and options attributed for 2008

Pierre BOUCHUT	Year 2009	Year 2008
Options attributed for the period	<b>23,500 (*)</b>	25,200
Striking price	€ 52.12	€ 92
(Valuation to IFRS standards)	(€ 256,620)	(€ 426,888)
Performance shares attributed for the period	<b>5,875 (*)</b>	2,700
(Valuation to IFRS standards)	(€ 263,200)	(€ 195,534)

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### II. Application of AFEP/MEDEF recommendations dated October 6<sup>th</sup> 2008.

In compliance with the AFEP/MEDEF recommendations of 6 October 2008 concerning the remuneration of the top executives of listed companies that specify that the CEOs of listed companies cannot combine a labour contract with their position as a corporate officer, Mr. Jean-Pascal Tricoire has made the commitment to abandon his labour contract when the Supervisory Board renews his term of office as Chairman of the Executive Board that expires on 2 May 2009. He will then be Chairman of the Executive Board, a corporate officer without a labour contract

At its meeting held on February 18<sup>th</sup> 2009, the supervisory board deliberated in the context of the statutory convention and commitment regimes on a revised status for Mr Jean-Pascal Tricoire, drawn up in agreement with him.

Following this labour contract renunciation, Mr. Jean-Pascal Tricoire will continue to benefit from the Schneider Group Executives Supplementary Retirement Scheme, from the providence scheme applicable to employees of Schneider Electric SA (and Schneider Electric Industries SAS) and from complementary cover for risks of illness, incapacity, invalidity and death.

He will be bound by a non-compete commitment lasting one year and will be remunerated if his office is cancelled. He will benefit from severance pay in the context of his corporate office, limited to two years' remuneration (after deduction of the no-compete compensation referred to above) and subject to performance conditions. The Board has also decided to maintain, in advance and subject to performance conditions, the benefit of his share options and free shares in the event of his departure.

The statutory conventions authorised by the Board in this way will be subject to a report by the statutory auditors in view of Company's forthcoming annual general meeting, which will have to deliberate on their approval. In compliance with Article L.225-90-1 of the Commercial Code, the authorisations given by the board in application of the aforementioned article will be put on line on the Company's internet site.

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