



SCHNEIDER ELECTRIC SE

Euro 7,500,000,000

Euro Medium Term Note Programme

Due from seven days from the date of original issue

Under the Euro Medium Term Note Programme (the "Programme") described in this base prospectus (the "Base Prospectus"), Schneider Electric SE (the "Company" or the "Issuer"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro medium term notes (the "Notes"). The aggregate nominal amount of Notes outstanding will not at any time exceed Euro 7,500,000,000 (or the equivalent in other currencies).

Application has been made for approval of this Base Prospectus to the AMF in France in its capacity as competent authority pursuant to Article 212-2 of its Règlement Général which implements Directive 2003/71/EC on the prospectus to be published when securities are admitted to trading, as amended (the "Prospectus Directive").

Application has been made to Euronext Paris for Notes issued under the Programme during a period of 12 months from the date of this Base Prospectus to be admitted to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended (a "Regulated Market"). Application may also be made to the competent authority of any other Member State of the European Economic Area ("EEA") for Notes issued under the Programme to be admitted to trading on any other Regulated Market in such Member State. However, Notes may be issued pursuant to the Programme which are not admitted to trading on a Regulated Market. The relevant final terms (the "Final Terms") (a form of which are contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be admitted to trading, and, if so, the relevant Regulated Market in the EEA on which they would be admitted to trading. Notes issued under the Programme will be governed by French law and may be issued either in dematerialised form ("Dematerialised Notes") or in materialised form ("Materialised Notes") as more fully described herein. Dematerialised Notes will at all times be in book-entry form in compliance with Articles L.211-3 and R.211-1 of the French Code monétaire et financier. No physical documents of title will be issued in respect of the Dematerialised Notes.

The Notes will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer and as specified in the relevant Final Terms save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market in a Member State of the EEA in circumstances which require the publication of a base prospectus under the Prospectus Directive (given that any exemption regime, as set out in the Prospectus Directive, could apply in contemplation of the relevant issue) will be at least €100,000 (or the equivalent amount in any other currency at the issue date).

Dematerialised Notes may, at the option of the Issuer, be (a) in bearer dematerialised form (au porteur) inscribed as from the issue date in the books of Euroclear France ("Euroclear France") (acting as central depository) which shall credit the accounts of Account Holders (as defined in "Terms and Conditions of the Notes - Form, Denomination and Title") including Euroclear Bank SA/NV ("Euroclear") and the depository bank for Clearstream Banking, S.A. ("Clearstream") or (b) in registered dematerialised form (au nominatif) and, in such latter case, at the option of the relevant Noteholder (as defined in Condition 1(c)(iv)), in either fully registered form (au nominatif pur), in which case they will be inscribed with the registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (au nominatif administré) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "Temporary Global Certificate") will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will be exchanged for definitive Materialised Notes in bearer form with, where applicable, coupons for interest attached on or after a date expected to be on or about the 40th day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificates issued in respect of Materialised Notes") upon certification as to non-US beneficial ownership as more fully described herein.

Temporary Global Certificates will (a) in the case of a Tranche (as defined in "Summary" below) intended to be cleared through Euroclear and/or Clearstream, be deposited on the issue date with a common depository on behalf of Euroclear and Clearstream and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer(s) (as defined below).

The terms and conditions of the Notes contain a substitution provision (as described in Condition 15) allowing Schneider Electric SE at any time, at its discretion and without consulting the Noteholders, (subject to certain conditions) to substitute for itself as principal debtor under any Notes, a Substituted Issuer provided that, in all cases, the relevant Series of Notes are unconditionally and irrevocably guaranteed on first demand (garantie autonome à première demande) by Schneider Electric SE.

The final terms of the relevant Notes will be determined at the time of the offering of each Tranche and will be set out in the relevant Final Terms.

As of the date of this Base Prospectus, the long-term corporate rating of the Issuer by Standard & Poor's Ratings Services ("S&P") is A- (stable outlook). Tranches of Notes issued under the Programme may be rated or unrated. S&P is established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit rating agencies, as amended (the "CRA Regulation"). S&P is included in the list of credit agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (www.esma.europa.eu/supervision/credit-rating-agencies/risk) as of the date of this Base Prospectus. The relevant Final Terms will specify whether or not credit ratings are issued by a credit rating agency.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the risk factors described under the section headed "Risk Factors" in this Base Prospectus, before deciding to invest in the Notes issued under the Programme.

Arranger for the Programme
BNP PARIBAS

Dealers

BARCLAYS
CRÉDIT AGRICOLE CIB
NATIXIS
SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING

BNP PARIBAS
DEUTSCHE BANK
NATWEST MARKETS

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The risk factors may relate to the Issuer or to any of its subsidiaries.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors (although not exhaustive) described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties not currently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. In particular, investors should make their own assessment as to the risks associated with the Notes prior to investing in Notes issued under the Programme.

Words and expressions defined in the section “Terms and Conditions of the Notes” shall have the same meaning in this section.

RISK FACTORS RELATING TO THE ISSUER

Risk factors relating to the Issuer are described on pages 47 to 55 of the 2017 Reference Document, as defined and further described under “Documents Incorporated by Reference” in this Base Prospectus, and include the following:

- **operational risks;**
- **industrial and environmental risks;**
- **management of risks in relation to climate change;**
- **information systems risks;**
- **market risks;**
- **legal risks;**
- **disputes; and**
- **insurance strategy.**

RISK FACTORS RELATING TO THE NOTES

Independent Review and Advice

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and conditions, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A prospective investor may not rely on the Issuer or the Dealer(s) or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Modification and waivers

The Terms and Conditions of the Notes contain provisions for calling General Meetings of Noteholders or consulting them by way of Consultation in Writing to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not participate at the relevant General Meeting or Consultation in Writing and Noteholders who voted in a manner contrary to the majority. General Meetings or Consultation in Writing may deliberate on any proposal relating to the modification of the Terms and Conditions of the Notes subject to the limitation provided by French law.

Potential Conflicts of Interest

All or some of the Dealers and, as the case may be, the calculation agent and their respective affiliates have and/or may in the future engage, in the ordinary course of business, in lending, in investment banking, commercial banking and/or other financial advisory and commercial dealings with the Issuer and their affiliates and in relation to securities issued by any entity of the Group. They have or may, in the ordinary course of their business, (i) engage in investment banking, trading or hedging activities including activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (ii) act as underwriters in connection with offering of shares or other securities issued by any entity of the Group or (iii) act as financial advisers to the Issuer or other companies of the Group. In the context of these transactions, certain of such Dealers have or may hold shares or other securities issued by entities of the Group. Where applicable, they have or will receive customary fees and commissions for these transactions.

The Issuer and the Dealer(s) may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Potential conflicts of interest may arise between the calculation agent, if any, for a Tranche of Notes and the Noteholders (including where a Dealer acts as calculation agent), including with respect to certain discretionary determinations and judgements that such calculation agent may make pursuant to the Terms and Conditions that may influence the amount receivable upon redemption of the Notes. In particular, whilst a calculation agent will, as the case may be, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

The trading market for debt securities may be volatile and may be adversely impacted by many events.

The market for debt securities issued by issuers is influenced by global economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in European and other countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that global economic and market conditions will not have any other adverse effect.

An active trading market for the Notes may not develop.

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. The Issuer and any of its subsidiaries are entitled to buy the Notes, as described in Condition 6(j), and the Issuer may issue further notes, as described in Condition 13. Such transactions may adversely affect the price development of the

Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

The Notes may be subject to optional redemption by the Issuer.

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the jurisdiction of the Issuer or a political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

The Issuer has also the option, if so provided in the relevant Final Terms, to redeem the Notes under a make-whole call option as provided in Condition 6(d), a call option as provided in Condition 6(e), a residual maturity call option as provided in Condition 6(g) or a clean-up call option as provided in Condition 6(i). In particular, in case of a clean-up call option there is no obligation for the Issuer to inform investors if and when the percentage of 80 per cent. or the Clean-Up Percentage (as defined in the relevant Final Terms) has been reached or is about to be reached, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of this option, the Notes may have been traded significantly above par, thus potentially resulting in a loss of capital invested.

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. Such right of termination is often provided for bonds or notes in periods of high interest rates. If the market interest rates decrease, the risk to Noteholders that the Issuer will exercise its right of termination increases. As a consequence, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

Investors will not be able to calculate in advance their rate of return on Floating Rate Notes.

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the Terms and Conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Furthermore, should the reference rate in respect of a Floating Rate Note be at any time negative, this could result in the rate of interest payable to Noteholders being lower than the applicable margin. For the avoidance of doubt, if the resulting rate of interest is less than zero, the applicable rate of interest shall be deemed to be zero and the Noteholders will not have to pay the negative fraction of such interest to the Issuer.

Exercise of the Change of Control Put Option, the Put Option, the Residual Maturity Call Option, the Call Option or the Make-Whole Redemption by the Issuer in respect of certain Notes may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised.

Depending on the number of Notes of the same Series in respect of which the Change of Control Put Option, the Put Option, the Residual Maturity Call Option, the Call Option or the Make-Whole Redemption provided, if any, in the relevant Final Terms is exercised, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid. In addition, investors may only be able to reinvest the moneys they receive upon such early redemption in securities with a lower yield than the redeemed Notes.

Fixed Rate Notes

Investment in Notes which bear interest at a fixed rate involves risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche of Notes.

While the nominal interest rate of a Fixed Rate Note is determined during the term of such Note or within a given period of time, the market interest rate (the “**Market Interest Rate**”) typically varies on a daily basis. As the Market Interest Rate changes, the price of the Note varies in the opposite direction. If the Market Interest Rate increases, the price of the Note typically decreases, until the yield of the Note equals approximately the Market Interest Rate. If the Market Interest Rate decreases, the price of a Fixed Rate Note typically increases, until the yield of the Note equals approximately the Market Interest Rate.

Floating Rate Notes

Investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that will automatically change from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms. The conversion of the interest rate may affect the secondary market and the market value of the Notes since the conversion may produce a lower overall cost of borrowing. If a Fixed Rate is converted to a Floating Rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new Floating Rate at any time may be lower than the rates on other Notes. If the rate is automatically converted from a Floating Rate to a Fixed Rate, the Fixed Rate may be lower than then prevailing rates on its Notes.

Zero Coupon Notes are subject to higher price fluctuations than non-discounted bonds.

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

Exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in the relevant Final Terms). This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Specified Currency would decrease (1) the Investor’s Currency-equivalent yield on the Notes, (2) the Investor’s Currency-equivalent value of the principal payable on the Notes and (3) the Investor’s Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal at all.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus and/or in the Final Terms but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission has published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**Participating Member States**"). However, Estonia has since then officially announced its withdrawal from the negotiations.

The Commission's Proposal has a very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No. 1287/2006 are expected to be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States (excluding Estonia) and its scope is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional Member States may decide to participate. If the Commission's Proposal or any similar proposal were adopted, transactions in the Notes would be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes and/or the Issuer. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. The rating reflects the possibility of default of the Issuer of the Notes as judged by the credit rating agencies.

Credit Risk

An investment in the Notes involves taking credit risk on the Issuer. If the credit worthiness of the Issuer deteriorates, it may not be able to fulfil all or part of its payment obligations under the Notes, and investors may lose all or part of their investment.

Change of Law

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Base Prospectus.

Substitution of Schneider Electric SE

Schneider Electric SE may at any time, at its discretion and without consulting the Noteholders, substitute for itself as principal debtor under any Notes, any of its Subsidiary (the "**Substituted Issuer**"), pursuant to Condition 15. Such Condition provides for certain conditions to be met before the substitution can take place, including, but not limited to, an unconditional and irrevocable first demand guarantee (*garantie autonome à première demande*) from Schneider Electric SE to the Noteholders and the absence of any payment obligation for the Noteholders which would arise from the substitution. While the ultimate credit risk under the Notes will remain with Schneider Electric SE as Guarantor, no assurance can be given as to the identity or the creditworthiness of any Substituted Issuer and neither Schneider Electric SE nor the Substituted Issuer will be required to take into consideration any interests arising from the circumstances particular to any holder of such Notes with regard to or arising from any such substitution.

French insolvency law

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") in order to defend their common interests if an accelerated safeguard procedure (*procédure de sauvegarde accélérée*), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), a safeguard procedure (*procédure de sauvegarde*), or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer. The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (EMTN) and regardless of their governing law. The Assembly deliberates on the proposed accelerated safeguard plan (*projet de plan de sauvegarde accélérée*), proposed accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*), proposed safeguard plan (*projet de plan de sauvegarde*), proposed judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing off receivables in form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders casting a vote at such Assembly). No quorum is required to convoke the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in this Base Prospectus will not be applicable to the extent they are not in compliance with compulsory insolvency law provisions that apply in these circumstances.

Reform and regulation of "benchmarks"

The EU Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**") was published in the European official journal on 29 June 2016.

The Benchmark Regulation applies to "contributors", "administrators" and "users" of "benchmarks" in the EU, and will, among other things, (i) require benchmark administrators to be authorised or registered (or,

if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" (or, if non-EU based, to be subject to equivalent requirements) and (ii) prevent certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised/registered (or, if non-EU based, deemed equivalent or recognised or endorsed). The scope of the Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices, applies to many interest rate and foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue or via a systematic internaliser, financial contracts and investment funds.

The Benchmark Regulation could have a material impact on any Notes traded on a trading venue or via a "systematic internaliser" linked to a "benchmark" index, including in any of the following circumstances:

- an index which is a "benchmark" could not be used by a supervised entity in certain ways if its administrator does not obtain authorisation or registration or, if based in a non-EU jurisdiction, the administrator is not recognised as equivalent or recognised or endorsed and the transitional provisions do not apply; and
- the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the benchmark.

Either of the above could potentially lead to the Notes being de-listed, adjusted or redeemed early or otherwise impacted depending on the particular "benchmark" and the applicable terms of the Notes or have other adverse effects or unforeseen consequences.

More broadly, any of the international, national or other proposals for reform or the general increased regulatory scrutiny of "benchmarks" could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks". For example, on 27 July 2017, the UK Financial Conduct Authority (the "FCA") announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "FCA Announcement"). Therefore, the continuation of LIBOR in its current form (or at all) after 2021 cannot be guaranteed. In a further speech on 12 July 2018, Andrew Bailey, chief executive officer of the FCA, emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, may require an adjustment to the Terms and Conditions of the Notes, or result in other consequences, in respect of any Notes linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to EURIBOR, LIBOR or CMS Rate) depending on the specific provisions of the relevant terms and conditions applicable to the Notes. Any such consequences could have a material adverse effect on the liquidity and value of and return on any such Notes.

Other interbank offered rates such as EURIBOR (the European Interbank Offered Rate) (together with LIBOR, the "IBORs") suffer from similar weaknesses to LIBOR and as a result (although no deadline has been set for their discontinuation), they may be discontinued or be subject to changes in their administration.

Changes to the administration of an IBOR or the emergence of alternatives to an IBOR, may cause such IBOR to perform differently than in the past, or there could be other consequences which cannot be predicted. The discontinuation of an IBOR or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any Notes referencing or linked to such IBOR. The development of alternatives to an IBOR may result in Notes linked to or referencing such IBOR

performing differently than would otherwise have been the case if the alternatives to such IBOR had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Notes linked to or referencing such IBOR.

Whilst alternatives to certain IBORs for use in the bond market (including SONIA (for Sterling LIBOR) and rates that may be derived from SONIA) are being developed, in the absence of any legislative measures, outstanding notes linked to or referencing an IBOR will only transition away from such IBOR in accordance with their particular terms and conditions.

Where Screen Rate Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, and LIBOR, EURIBOR or another Reference Rate has been selected as the Reference Rate, the Conditions of the Notes provide that the Rate of Interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where the Original Reference Rate is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, the Conditions of the Notes provide for the Rate of Interest to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate), the Rate of Interest may ultimately revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before the Original Reference Rate was unavailable. Uncertainty as to the continuation of such Original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if such Original Reference Rate is unavailable may adversely affect the value of, and return on, the Floating Rate Notes.

If a Benchmark Event (as defined in Condition 5(i)) (which, amongst other events, includes the permanent discontinuation of an Original Reference Rate) occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest will result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Conditions of the Notes provide that the Issuer may vary the Conditions of the Notes, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Conditions of the Notes also provide that an Adjustment Spread may be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate. The aim of the Adjustment Spread is to reduce or eliminate, to the extent reasonably practicable, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate. However, it may not be possible to determine or apply an Adjustment Spread and even if an Adjustment Spread is applied, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to Noteholders and Couponholders. If no Adjustment Spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest. The use of any Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

The Issuer may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the Conditions of the Notes.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable, to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest.

Where the Issuer has been unable to appoint an Independent Adviser or, the Independent Adviser has failed, to determine a Successor Rate or Alternative Rate in respect of any given Interest Period, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Interest Determination Date and/or to determine a Successor Rate or Alternative Rate to apply the next succeeding and any subsequent Interest Periods, as necessary.

Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event will result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or, the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the floating rate Notes, in effect, becoming fixed rate Notes.

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Conditions of the Notes provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions. Where the Floating Rate Option specified is a "LIBOR" Floating Rate Option or a "EURIBOR" Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If LIBOR or EURIBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

Risks relating to RMB denominated Notes

Notes denominated in RMB ("**RMB Notes**") may be issued under the Programme. RMB Notes contain particular risks for potential investors.

*RMB is not freely convertible. There are significant restrictions on remittance of RMB into and outside the People's Republic of China ("**PRC**") which may adversely affect the liquidity of RMB Notes*

RMB is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between RMB and foreign currencies, including the Euro, despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

Remittance of RMB by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities and is subject to a strict monitoring system. Regulations in the PRC on the remittance of RMB into the PRC for settlement of capital account items are developing gradually.

In respect of RMB foreign direct investments (“**FDI**”), the People’s Bank of China (“**PBoC**”) promulgated the Administrative Measures on RMB Settlement of Foreign Direct Investment (the “**PBoC FDI Measures**”) on 13 October 2011 as part of PBoC’s detailed RMB FDI accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as RMB denominated cross-border loans. On 14 June 2012, PBoC issued a circular setting out the operational guidelines for FDI. Under the PBoC FDI Measures, special approval for FDI and shareholder loans from PBoC, which was previously required, is no longer necessary. In some cases however, post-event filing with PBoC is still necessary.

On 3 December 2013, the Ministry of Commerce of the PRC (“**MOFCOM**”) promulgated the Circular on Issues in relation to Cross-border RMB Foreign Direct Investment (the “**MOFCOM Circular**”), which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts will grant written approval for each FDI and specify “Renminbi Foreign Direct Investment” and the amount of capital contribution in the approval. Unlike previous MOFCOM regulations on FDI, the MOFCOM Circular removes the approval requirement for foreign investors who intend to change the currency of its existing capital contribution from a foreign currency to RMB. In addition, the MOFCOM Circular also clearly prohibits the FDI funds from being used for any investment in securities and financial derivatives (except for investment in the PRC listed companies as strategic investors) or for entrustment loans in the PRC.

As the trend to further liberalise FDI continues, the PBoC FDI Measures and the MOFCOM Circular remain subject to interpretation and application by the relevant authorities in the PRC.

Despite a movement towards liberalisation of cross-border RMB remittances, notably in the current account activity, and the permission for certain participating banks in Hong Kong, Singapore, Taiwan, South Korea, London and Frankfurt to engage in the settlement of current account trade transactions in RMB under certain pilot schemes, there is no assurance that the PRC Government will continue to liberalise control over the cross-border RMB remittance in the future or that new PRC regulations.

Although RMB will be added to the Special Drawing Rights basket created by the International Monetary Fund in 2016 and policies further improving accessibility to RMB to settle cross-border transactions in foreign currencies were implemented by the PBoC in 2018, there is no assurance that the PRC Government will continue to gradually liberalise its control over cross-border RMB remittances in the future, that any pilot schemes for RMB cross-border utilisation will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of RMB into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in RMB, this may affect the overall availability of RMB outside the PRC and the ability of the Issuer to source RMB to finance its obligations under the RMB Notes.

Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of RMB for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules. In the event that funds cannot be repatriated outside the PRC in RMB, the Issuer and/or the Guarantor will need to source RMB offshore to finance its obligations under the Notes, and its ability to do so will be subject to the overall availability of RMB outside the PRC.

Holders of beneficial interests in the Notes denominated in RMB may be required to provide certifications and other information (including RMB account information) in order to allow such holder to receive payments in RMB in accordance with the Renminbi clearing and settlement system for participating banks in Singapore, Hong Kong and Taiwan.

There is only limited availability of RMB outside the PRC, which may affect the liquidity of the RMB Notes and the ability of the Issuer to source RMB outside the PRC to service the RMB Notes

As a result of the restrictions by the PRC Government on cross-border RMB fund flows, the availability of RMB outside of the PRC is limited. While the PBoC has entered into agreements on the clearing of RMB business with financial institutions in a number of financial centres and cities (the “**RMB Clearing Banks**”), including but not limited to Hong Kong, Singapore and Taiwan, and are in the process of establishing RMB clearing and settlement mechanisms in several other jurisdictions (“**Settlement Arrangements**”) in various other markets, the current size of RMB-denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBoC on RMB business participating banks in respect of cross-border RMB settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, RMB business participating banks do not have direct RMB liquidity support from PBoC. The RMB Clearing Banks only have access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source RMB from outside the PRC to square such open positions.

Although it is expected that the offshore RMB market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of RMB outside the PRC. The limited availability of RMB outside the PRC may affect the liquidity of the RMB Notes. To the extent the Issuer is required to source RMB in the offshore market to service its RMB Notes, there is no assurance that the Issuer will be able to source such RMB on satisfactory terms, if at all.

Payments in respect of the RMB Notes will only be made to investors in the manner specified in such RMB Notes

All payments to investors in respect of RMB Notes to an investor will be made solely by transfer to a RMB bank account maintained in Hong Kong in accordance with the prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

Investment in the RMB Notes is subject to exchange rate risks

The value of RMB against the Euro, the U.S. Dollar and other foreign currencies fluctuates and is affected by changes in the PRC, by international political and economic conditions and by many other factors. All payments of interest and principal with respect to the RMB Notes will be made in RMB. As a result, the value of these RMB payments in Euro, U.S. Dollars or other foreign currency terms may vary with the prevailing exchange rates in the marketplace. If the value of RMB depreciates against Euro, the U.S. Dollar or other foreign currencies, the value of investment in Euro, U.S. Dollar or other applicable foreign currency terms will decline. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the RMB Notes.

Investment in RMB Notes is subject to interest rate risks.

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As RMB Notes may carry a fixed interest rate, the trading price of RMB Notes will consequently vary with the fluctuations in the RMB interest rates. If holders of RMB Notes propose to sell their RMB Notes before their maturity, they may receive an offer lower than the amount they have invested.

The Issuer may make payments of interest and principal in U.S. Dollar in certain circumstances

Although the primary obligation of the Issuer is to make all payments of interest and principal with respect to the RMB Notes in RMB, in the event that the access to RMB deliverable in Hong Kong becomes restricted by reason of Inconvertibility, Non-transferability or Illiquidity (each as defined in the Terms and Conditions of the Notes), the terms of such RMB Notes allow the Issuer to make such payment in U.S. Dollar at the prevailing spot rate of exchange, all as provided for in more detail in the Terms and Conditions of the Notes.

IMPORTANT NOTICE

This Base Prospectus (together with any Supplements hereto (each a “**Supplement**” and together the “**Supplements**”) comprises a Base Prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purposes of giving information with regard to the Issuer, the Issuer and its subsidiaries taken as a whole (the “**Group**”) and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

This Base Prospectus is to be read in conjunction with any document and/or information which is or may be incorporated herein by reference in accordance with Article 11 of the Prospectus Directive.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” below).

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (each as defined in “**General Description of the Programme**”). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities commission or regulatory authority of any state or other jurisdiction of the United States and include Materialised Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or, in the case of Materialised Notes in bearer form, delivered within the United States or its possessions or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see “Subscription and Sale”.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS - If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“**MiFID II**”); or (ii) a customer within the meaning of Directive 2002/92/EC, as amended (the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014, as amended (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes may include a legend entitled “MiFID II product governance” which will outline the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the

Guidelines published by the European Securities and Markets Authority (ESMA) on 5 February 2018 and which channels for distribution of the Notes are appropriate. Any person subsequently selling or recommending the Notes (a "**distributor**" as defined in MiFID II) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID II Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer as defined in MiFID II in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules. For the avoidance of doubt, the Issuer is not a MiFID II regulated entity and does not qualify as a distributor or a manufacturer under MiFID II Product Governance Rules.

SINGAPORE SFA PRODUCT CLASSIFICATION – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This Base Prospectus does not constitute an offer of, an offer to sell, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

The Arranger and the Dealers have not separately verified the information contained or incorporated by reference in this Base Prospectus. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

GENERAL DESCRIPTION OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Base Prospectus.

Issuer:	Schneider Electric SE (the “ Issuer ”), subject to Condition 15
Guarantor:	Schneider Electric SE, if there is a substitution of the Issuer (as described in Condition 15)
Substituted Issuer:	Schneider Electric SE may be replaced and substituted by any of its Subsidiaries (as defined in Condition 15) as principal debtor in respect of the Notes.
Description:	Euro Medium Term Note Programme (the “ Programme ”).
Arranger:	BNP Paribas
Dealers:	Barclays Bank PLC BNP Paribas Crédit Agricole Corporate and Investment Bank Deutsche Bank AG, London Branch NATIXIS NatWest Markets Plc Société Générale
	The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to “ Permanent Dealers ” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to “ Dealers ” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Programme Limit:	Up to €7,500,000,000 (or the equivalent in other currencies) aggregate nominal amount of Notes outstanding at any one time. The maximum aggregate principal amount of Notes which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Amended and Restated Dealer Agreement.
Fiscal Agent, Principal Paying Agent and Calculation Agent:	BNP Paribas Securities Services
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “ Series ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “ Tranche ”) on the same or different issue dates. The specific terms of each Tranche will be set out in a final terms to this Base Prospectus (the “ Final Terms ”).

Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity from seven calendar days from the date of original issue.
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euros, U.S. dollars, Japanese Yen, Swiss Francs, Sterling, RMB and in any other currency agreed between the Issuer and the relevant Dealers.
Denomination(s):	<p>The Notes will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer and as specified in the relevant Final Terms save that in respect of any Notes that are admitted to trading on a Regulated Market in a Member State of the European Economic Area (“EEA”) in circumstances which require the publication of a prospectus under the Prospectus Directive will be at least €100,000 (or its equivalent in other currencies).</p> <p>Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000, as amended (“FSMA”) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent.</p> <p>Dematerialised Notes will be issued in one denomination only.</p>
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank and will rank <i>pari passu</i> and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.
Negative Pledge:	There will be a negative pledge in respect of the Notes as set out in Condition 4. See “Terms and Conditions of the Notes - Negative Pledge”.
Events of Default: (including cross default)	There will be events of default and a cross-default in respect of the Notes as set out in Condition 10. See “Terms and Conditions of the Notes - Events of Default”.
Redemption:	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) having a maturity of less than one year from the date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Optional Redemption:

The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders and, if so, the terms applicable to such redemption.

Early Redemption:

Except as provided in “Optional Redemption” above and “Make-Whole Redemption by the Issuer”, “Residual Maturity Call Option” and “Clean-Up Call Option” below, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons as set out in Condition 6. See “Terms and Conditions of the Notes - Redemption, Purchase and Options”.

Redemption at the option of Noteholders following a Change of Control:

If a Change of Control Put Option is specified in the relevant Final Terms, following the occurrence of a Change of Control, the Noteholders will be entitled to request the Issuer to redeem the Notes, or, at the Issuer’s option, procure the purchase of their Notes as set out in Condition 6. See “Terms and Conditions of the Notes - Redemption, Purchase and Options”.

Make-Whole Redemption by the Issuer:

If so specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to their Maturity Date at their Optional Redemption Amount. The Optional Redemption Amount will be calculated by the Calculation Agent and will be the greater of (x) 100 per cent. of the nominal amount of the Notes so redeemed and, (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (not including any interest accrued on the Notes to, but excluding, the relevant Optional Redemption Date) discounted to the relevant Optional Redemption Date on an annual basis at the Redemption Rate plus a Redemption Margin (as specified in the relevant Final Terms), plus in each case (x) or (y) above, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

Residual Maturity Call Option:

If so specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will have the option to redeem the Notes, in whole or in part, at par, at any time as from the call option date, which shall be no earlier than (i) three months before the Maturity Date in respect of Notes having a maturity of not more than seven years or (ii) six months before the Maturity Date in respect of Notes having a maturity of more than seven years.

Clean-Up Call Option:

If so specified in the relevant Final Terms and if 80 per cent. or any other percentage above as specified in the relevant Final Terms (the “**Clean-Up Percentage**”) of the initial aggregate nominal amount of Notes of the same Series have been redeemed or purchased and, in each case, cancelled, the Issuer may, at its option, redeem the Notes in whole but not in part at their Early Redemption Amount together with any interest accrued to the date set for redemption (as specified in the relevant Final Terms).

Taxation:

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and

clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

If such a withholding or deduction is required, the Issuer will have to gross-up its payments to the fullest extent then permitted by law and subject to certain exceptions.

See section “Terms and Conditions of the Notes-Taxation”.

Interest Periods and Interest Rates:

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

Fixed Rate Notes:

Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

Floating Rate Notes:

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to LIBOR or EURIBOR, in each case as adjusted for any applicable margin.

Interest periods will be specified in the relevant Final Terms.

Where Linear Interpolation is specified in the relevant Final Terms in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by straight line linear interpolation by reference to two rates based on the relevant Reference Rate or the relevant Floating Rate Option, as the case may be.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

In no event shall the amount of interest payable (including, for the sake of clarity, any applicable margin) be less than zero.

In the event where the benchmark used to calculate the interest payable is discontinued, the Conditions of the Notes provide a methodology to determine the successor or alternative rates.

Fixed/Floating Rate Notes:

Fixed/Floating Rate Notes may bear interest at a rate that will automatically change from a fixed rate to a floating rate or from a floating rate to a fixed rate on the date set out in the Final Terms.

Zero Coupon Notes:

Zero Coupon Notes may be issued at their nominal amount or at a discount and will not bear interest.

Redenomination:	Notes issued in the currency of any Member State of the EU which will participate in the single currency of the European Economic and Monetary Union may be redenominated into Euro, all as more fully provided in Condition 1. See “Terms and Conditions of the Notes - Form, Denomination and Title” below.
Consolidation:	Notes of one Series may be consolidated with Notes of another Series as more fully provided in Condition 13. See “Terms and Conditions of the Notes - Further Issues and Consolidation”.
Form of Notes:	Notes may be issued in either dematerialised form (“ Dematerialised Notes ”) or in materialised form (“ Materialised Notes ”). Dematerialised Notes may, at the option of the Issuer be issued in bearer dematerialised form (<i>au porteur</i>) or in registered dematerialised form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant Noteholder, in either <i>au nominatif pur</i> or <i>au nominatif administré</i> form. No physical documents of title will be issued in respect of Dematerialised Notes. See “Terms and Conditions of the Notes – Form, Denomination and Title”. The relevant Final Terms will specify whether Dematerialised Notes are to be issued in bearer form only, in registered (including both <i>nominatif pur</i> and <i>nominatif administré</i>) form only. Materialised Notes will be issued in bearer form (“ Materialised Bearer Notes ”). A Temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Bearer Notes. Materialised Notes may only be issued outside France.
Substitution of the Issuer:	The terms and conditions of the Notes contain a substitution provision as described in Condition 15 allowing Schneider Electric SE at any time, at its discretion and without consulting the Noteholders, (subject to certain conditions) to substitute for itself as principal debtor under any Notes, a Substituted Issuer provided that, in all cases, the relevant Series of Notes are unconditionally and irrevocably guaranteed on first demand (<i>garantie autonome à première demande</i>) by Schneider Electric SE.
Guarantee:	If there is a substitution of the Issuer pursuant to Condition 15, Schneider Electric SE as the Guarantor will unconditionally and irrevocably guarantee on first demand (<i>garantie autonome à première demande</i>) the due payment of all sums expressed to be due and payable by the Substituted Issuer under the Notes and in accordance with the applicable terms and conditions. The obligations of the Guarantor in this respect will arise pursuant to a Guarantee which will be substantially in the form of the Form of Guarantee, to be executed by the Guarantor in respect of each Series of Notes so guaranteed (the “ Guarantee ”). See " Form of Guarantee" below.
Governing Law:	French law.

Central Depositary:	Euroclear France in relation to Dematerialised Notes.
Clearing Systems:	Clearstream, Euroclear or any other clearing system (provided proper clearing and settlement procedures have previously been put in place) that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer in relation to Materialised Notes.
Initial Delivery of Dematerialised Notes:	One Paris business day before the issue date of each Tranche of Dematerialised Notes, the <i>Lettre Comptable</i> relating to such Tranche shall be deposited with Euroclear France as central depositary.
Initial Delivery of Materialised Notes:	On or before the issue date for each Tranche of Materialised Bearer Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depositary for Euroclear and Clearstream or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Listing and Admission to Trading:	Euronext Paris and/or the official list of the Luxembourg Stock Exchange and/or as otherwise specified in the relevant Final Terms. A Series of Notes may or may not be listed and admitted to trading.
Method of Publication of this Base Prospectus and the Final Terms:	This Base Prospectus, any supplement to this Base Prospectus and the Final Terms related to the Notes listed and admitted to trading on any Regulated Market in the EEA will be published on the website of the Issuer (www.schneider-electric.com) and save in respect of the Final Terms. The Final Terms will indicate where the Base Prospectus may be obtained.
Selling Restrictions:	<p>There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions. See “Subscription and Sale”.</p> <p>The Notes to be issued qualify under Category 2 for the purposes of Regulation S under the Securities Act.</p> <p>Materialised Notes will be issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) (the “D Rules”) unless the relevant Final Terms states that such Materialised Notes are issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) (the “C Rules”), or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstance</p>

will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

The TEFRA rules do not apply to any Dematerialised Notes.

Rating:

The long term corporate rating of the Issuer is currently rated A- (stable outlook) by Standard & Poor's Ratings Services ("S&P"). S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 on credit rating agencies (as amended) (the "CRA Regulation"). S&P is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (www.esma.europa.eu/supervision/credit-rating-agencies/risk) as of the date of this Base Prospectus. Notes issued under the Programme may be rated or unrated. The rating, if any, will be specified in the relevant Final Terms. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned to the Issuer. The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation. Credit ratings are subject to revision, suspension or withdrawal at any time by the relevant rating organisation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the sections set out in the cross-references tables below from the following documents which have been filed with the AMF:

- the pages referred to in the table below which are included in the *document de référence* in the French language of the Issuer which received n° D.18-0138 from the AMF on 16 March 2018, except for the third paragraph of the section "*Responsables du document de référence*" on page 377 (the "**2017 Reference Document**");
- the pages referred to in the table below which are included in the *document de référence* in the French language of the Issuer which received n° D.17-0177 from the AMF on 17 March 2017, except for the third paragraph of the section "*Responsables du document de référence*" on page 367 (the "**2016 Reference Document**");
- the pages referred to in the table below which are included in the Issuer's interim financial report in French language for the six-month period ended 30 June 2018, dated 26 July 2018 (the "**2018 Half-Year Financial Report**"); and
- the terms and conditions of the notes contained in the base prospectuses of the Issuer dated, respectively, 6 October 2017 (the "**2017 EMTN Conditions**"), 31 August 2016 (the "**2016 EMTN Conditions**"), 31 July 2015 (the "**2015 EMTN Conditions**"), 15 July 2014 (the "**2014 EMTN Conditions**"), 25 June 2013 (the "**2013 EMTN Conditions**"), 25 June 2012 (the "**2012 EMTN Conditions**"), 24 June 2011 (the "**2011 EMTN Conditions**"), 24 June 2010 (the "**2010 EMTN Conditions**"), 19 June 2009 (the "**2009 EMTN Conditions**"), 22 May 2008 (the "**2008 EMTN Conditions**"), 21 May 2007 (the "**2007 EMTN Conditions**"), (together with the 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016 and 2017 EMTN Conditions, the "**EMTN Previous Conditions**").

Any reference in this Base Prospectus, in the 2017 Reference Document or in the 2016 Reference Document to the registration documents and/or annual reports (either 2017 or 2016) shall be deemed to exclude the above-mentioned excluded sections.

Any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained, free of charge, from (i) the registered office of the Issuer, (ii) the website of the Issuer (www.schneider-electric.com) and/or (iii) at the offices of each Paying Agent set out at the end of this Base Prospectus during normal business hours.

The 2017 Reference Document and the 2016 Reference Document are available on the website of the AMF (www.amf-france.org).

The information incorporated by reference in this Base Prospectus shall be read in connection with the cross-reference list below.

Any information not listed in the cross-reference list below but included in the documents incorporated by reference shall not form part of this Base Prospectus and is not relevant for investors.

The English Translation of the 2016 Reference Document, the 2017 Reference Document and the 2018 Half-Year Financial Report are available on the website of the Issuer (<http://www2.schneider-electric.com/sites/corporate/en/finance/presentations/annual-reports.page>). Such English translations are available for information purposes only and are not incorporated by reference in this Base Prospectus.

Only the French versions of the 2016 Reference Document, the 2017 Reference Document and the 2018 Half-Year Financial may be relied upon.

Prospectus Regulation –Annex IX	2017 Reference Document	2016 Reference Document	2018 Half Year Financial Report (unaudited)
2 STATUTORY AUDITORS			
2.1 Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	Page 378		
2.2 If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, details if material.	N/A		
3 RISK FACTORS			
3.1 Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors"	Pages 47 to 55		Page 30
4 INFORMATION ABOUT THE ISSUER			
4.1 <u>History and development of the Issuer:</u>	Pages 35 to 37		
4.1.1 the legal and commercial name of the Issuer;	Page 318		
4.1.2 the place of registration of the Issuer and its registration number;	Page 318		
4.1.3 the date of incorporation and the length of life of the Issuer, except where indefinite;	Page 318		
4.1.4 the domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office).	Page 318		
4.1.5 Any recent events particular to the issuer and which are to a material extent relevant to the evaluation of the issuer's solvency.	Page 279		
5 BUSINESS OVERVIEW			
5.1 <u>Principal activities:</u>			
5.1.1 A brief description of the Issuer's principal activities stating the main categories of products sold and/or services performed; and	Pages 26 to 30		
5.2 <u>Principal markets</u>			
5.3 The basis for any statements in the registration document made by the Issuer regarding its competitive position	Pages 31 to 33		

Prospectus Regulation –Annex IX	2017 Reference Document	2016 Reference Document	2018 Half Year Financial Report (unaudited)
6 ORGANISATIONAL STRUCTURE			
6.1 If the issuer is part of a group, a brief description of the group and of the issuer's position within it.	Pages 43 to 46 and pages 281 to 290		
7 TREND INFORMATION			
7.1 Information on any known trends	Page 224		
8 PROFIT FORECASTS OR ESTIMATES	Not Applicable		
9 ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES			
9.1 Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	(a) Pages 154-166 (b) Not Applicable		
9.2 <u>Administrative, Management, and Supervisory bodies conflicts of interests</u> Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, make a statement to that effect.	Page 179		
10 MAJOR SHAREHOLDERS			
10.1 To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	Pages 9 and 325 to 326		
11 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES			
11.1 <u>Historical Financial Information</u> Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. (a) balance sheet;	Pages 226 to 294 Pages 229-230	Pages 209– 274 Pages 213 - 214	Pages 3 to 20 Pages 6-7

Prospectus Regulation –Annex IX	2017 Reference Document	2016 Reference Document	2018 Half Year Financial Report (unaudited)
(b) income statement; (c) cash flow statement; and (d) accounting policies and explanatory notes	Pages 226 and 227 Page 228 Pages 233 to 290	Pages 210 and 211 Page 212 Pages 217 - 272	Pages 3-4 Pages 5 Pages 9 to 20
11.3 <u>Auditing of historical annual financial information</u>	Pages 291 to 294	Pages 273 to 274	Pages 32-33 (review report)
11.6 <u>Legal and arbitration proceedings</u> Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	Pages 53 to 54		Page 30
12 MATERIAL CONTRACTS			
12.1 A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.	Page 279		

The EMTN Previous Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of Notes to be assimilated (*assimilées*) and form a single series with Notes already issued with the relevant EMTN Previous Conditions.

EMTN Previous Conditions	
2007 EMTN Conditions	Pages 33 to 59
2008 EMTN Conditions	Pages 30 to 57
2009 EMTN Conditions	Pages 31 to 58
2010 EMTN Conditions	Pages 38 to 64
2011 EMTN Conditions	Pages 35 to 60
2012 EMTN Conditions	Pages 36 to 64
2013 EMTN Conditions	Pages 54 to 82
2014 EMTN Conditions	Pages 51 to 81
2015 EMTN Conditions	Pages 57 to 88
2016 EMTN Conditions	Pages 62 to 94
2017 EMTN Conditions	Pages 63 to 92

Information contained in the Documents Incorporated by Reference other than information listed in the table above is for information purposes only.

SUPPLEMENT TO THE BASE PROSPECTUS

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to Article 212-25 of the General Regulation (*Règlement Général*) of the AMF implementing the provisions of Article 16 of the Prospectus Directive, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus, which shall constitute a supplement to this Base Prospectus for the purpose of the relevant provisions of the Prospectus Directive.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes. In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed by the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on Definitive Materialised Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. Those definitions will be endorsed on the definitive Notes, as the case may be. References in these Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

An Amended and Restated Agency Agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 26 November 2018 has been agreed between Schneider Electric SE (the “**Issuer**”), BNP Paribas Securities Services as fiscal agent and the other agents named in it. The fiscal agent, the paying agents, and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), and the “**Calculation Agent(s)**”. Copies of the Agency Agreement are available for inspection at the specified offices of each of the Paying Agents.

For the purposes of these Terms and Conditions, “**Regulated Market**” means any regulated market situated in a Member State of the European Economic Area (“**EEA**”) as defined in the Markets in Financial Instruments Directive 2014/65/EU, as amended.

Terms between square brackets shall apply to Notes guaranteed by Schneider Electric SE when Schneider Electric SE is replaced and substituted by the Substituted Issuer (as defined in Condition 15), as provided in Condition 15. If there is a substitution of the Issuer in accordance with Condition 15, references below to “**Guarantor**” shall mean Schneider Electric SE, in its capacity as guarantor of Notes and any reference in the Conditions to the Issuer shall from then on be deemed to refer to the Substituted Issuer.

References below to “**Conditions**” are, unless the context requires otherwise, to the numbered paragraphs below. References below to “**day**” or “**days**” are to a calendar day or to calendar days, respectively.

1 Form, Denomination and Title

(a) Form

Notes may be issued either in dematerialised form (“**Dematerialised Notes**”) or in materialised form (“**Materialised Notes**”).

- (i) Title to Dematerialised Notes will be evidenced in accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier* (the “**Code**”) by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the Code) will be issued in respect of Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer and as specified in the relevant Final Terms (the “**Final Terms**”), in either (i) bearer dematerialised form (*au porteur*) only, in which case they are inscribed in the books of Euroclear France S.A. (acting as central depository) (“**Euroclear France**”) which shall credit the accounts of Account Holders, or (ii) in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or the

Registration Agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the “**Registration Agent**”).

Unless such right is expressly excluded in the relevant Final Terms, the Issuer may require the identification of the Noteholders.

For the purpose of these Conditions, “**Account Holder**” means any authorised financial intermediary institution entitled directly or indirectly to hold accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV (“**Euroclear**”) and the depositary bank for Clearstream Banking, S.A. (“**Clearstream**”).

- (ii) Materialised Notes are issued in bearer form (“**Materialised Notes**”) in the Specified Denomination(s) shown in the relevant Final Terms. Materialised Notes are serially numbered and are issued with coupons (“**Coupons**”) (and, where appropriate, a talon (“**Talon**”)) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

In accordance with Articles L.211-3 and R.211-1 of the Code, securities (such as Notes) which are governed by French law and are in materialised form must be issued outside the French territory.

(b) Denomination

Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the “**Specified Denomination(s)**”) save that the minimum denomination of each Note that are admitted to trading on a Regulated Market in circumstances which require the publication of a Base Prospectus under the Prospectus Directive will be at least €100,000 (or its equivalent in other currencies). Dematerialised Notes shall be issued in one Specified Denomination only.

(c) Title

- (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or of the Registration Agent.
- (ii) Title to Materialised Notes in definitive form having, where appropriate, Coupons and/or a Talon attached thereto on issue (“**Definitive Materialised Notes**”), shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
- (iv) In these Conditions, “**holder of Notes**”, “**holder of any Notes**” or “**Noteholder**” means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Note, and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

(d) Redenomination

The Issuer may (if so specified in the relevant Final Terms), without the consent of the holder of any Note, Coupon or Talon, by giving at least 30 days' notice in accordance with Condition 14, redenominate, on any Interest Payment Date all, but not some only, of the Notes of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly on or after the date on which the Member State of the European Union in whose national currency such Notes are denominated has become a participant member in the third stage of the European economic and monetary union (as provided in the Treaty establishing the European Community (the "EC"), as amended from time to time), or events have occurred which have substantially the same effects all as more fully provided in the relevant Final Terms.

2 Conversion and Exchange of Notes

(a) Dematerialised Notes

- (i) Dematerialised Notes issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*).
- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and *vice versa*. The exercise of any such option by such Noteholder shall be made in accordance with Article R.211-4 of the Code. Any such conversion shall be effected at the cost of such Noteholder.

(b) Materialised Notes

Materialised Notes of one Specified Denomination may not be exchanged for Materialised Notes of another Specified Denomination.

3 Status of Notes [and the Guarantee]

(a) Status of the Notes

Notes and, where applicable, the Coupons relating to them, constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law), equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

(b) [Status of the Guarantee]

The obligations of the Guarantor under the Guarantee (as defined in Condition 15) constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Guarantor and shall rank at all times *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law), equally and rateably with all other present or future unsecured and unsubordinated obligations of the Guarantor.]

4 Negative Pledge

So long as any of the Notes or, if applicable, any Coupons relating to them, remain outstanding (as defined below), the Issuer [or, the Guarantor] will not, and will ensure that none of the Principal Subsidiaries (as defined below) will, create or permit to subsist any mortgage, lien, charge, pledge or other form of security interest (*sûreté réelle*) (“**Security**”) upon any of their respective assets or revenues, present or future, to secure (i) any Relevant Debt (as defined below) or (ii) any guarantee or indemnity in respect of any Relevant Debt [, except the Guarantee], unless, at the same time or prior thereto, the Issuer’s obligations under the Notes [or the Guarantor’s obligations under the Guarantee] are equally and rateably secured therewith.

For the purposes of this Condition: “**Principal Subsidiary**” means at any relevant time a Subsidiary of Schneider Electric SE:

- (a) whose net operating income is at least 10 per cent. of the consolidated net operating income of Schneider Electric SE and its consolidated subsidiaries (the “**Consolidated Group**”) or whose total assets amount to at least 10 per cent. of the total consolidated assets of the Consolidated Group, in each case calculated by reference to the latest audited consolidated accounts of Schneider Electric SE;
- (b) to which is transferred all or substantially all the assets and undertakings of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary.
 - (i) “**Relevant Debt**” means any present or future indebtedness for borrowed money in the form of, or represented by, bonds (*obligations*) issued by the Issuer [or the Guarantor] which are for the time being, or are capable of being, quoted, admitted to trading or ordinarily dealt in on any stock exchange, over-the-counter market or other securities market.
 - (ii) “**Subsidiary**” means, in relation to any person or entity at any time, any other person or entity (whether or not now existing) as defined in Article L.233-1 of the French *Code de commerce* or any other person or entity controlling directly or indirectly such person or entity within the meaning of Article L.233-3 of the French *Code de commerce*.
 - (iii) “**outstanding**” means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in respect of Dematerialised Notes in bearer form or in administered registered form, to the relevant Account Holders on behalf of the Noteholder as provided in Condition 7(a), (ii) in the case of Dematerialised Notes in fully registered form, to the account of the Noteholder as provided in Condition 7(a) and (iii) in the case of Materialised Notes, to the Fiscal Agent as provided in the Agency Agreement and remain available for payment against presentation and surrender of Materialised Notes and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in these Conditions, (e) in the case of Materialised Notes (i) those mutilated or defaced Materialised Notes that have been surrendered in exchange for replacement Materialised Notes, (ii) (for the purpose only of determining how many such Materialised Notes are outstanding and without prejudice to their status for any other purpose) those Materialised Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Materialised Notes have been issued, and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Materialised Notes, pursuant to its provisions.

This Condition 4 shall not apply to or be applicable in respect of any Relevant Debt for any Security created by the Issuer [, the Guarantor] or a Principal Subsidiary over:

- (i) any equity share capital acquired by the Issuer [, the Guarantor] or a Principal Subsidiary in any company resulting in that company becoming a majority-owned subsidiary of the Issuer [, the Guarantor] or such Principal Subsidiary after the Issue Date for the sole purpose of financing or re-financing that acquisition and securing a principal amount not exceeding the cost of that acquisition; or
- (ii) any assets forming all or part of a business acquired by the Issuer [, the Guarantor] or a Principal Subsidiary after the Issue Date for the sole purpose of financing or re-financing that acquisition and securing a principal amount not exceeding the cost of that acquisition.

5 Interest and Other Calculations

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date (the “**Fixed Rate**”).

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

(b) Interest on Floating Rate Notes:

- (i) Interest Payment Dates: Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date (the “**Floating Rate**”). Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) Business Day Convention: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:
 - (A) the Floating Rate Business Day Convention or “**FRN Convention**”, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment,
 - (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day,
 - (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought to the immediately preceding Business Day, or

- (D) the Preceding Business Day Convention, such date shall be brought to the immediately preceding Business Day.
- (iii) Rate of Interest for Floating Rate Notes: the Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the relevant Final Terms;
- (y) the Designated Maturity is a period specified in the relevant Final Terms; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period or such other date as specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

- (a) Where Screen Rate Determination is specified in the relevant Final Terms as the manner according to which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (i) the offered quotation, or
- (ii) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either (i) 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) or (ii) if otherwise, the Relevant Screen Page Time on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (b) if the Relevant Screen Page is not available or if sub-paragraph (a)(i) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (a)(ii) applies and fewer than three such offered quotations appear on the Relevant Screen Page, subject as provided below, the Calculation Agent shall request, (i) if the Reference Rate is LIBOR, the principal London

office of each of the Reference Banks or, (ii) if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, (iii) if otherwise, each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if otherwise, at the Relevant Screen Page Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if otherwise, at the Relevant Screen Page Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if otherwise, the Relevant Inter-Bank Market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if otherwise, at the Relevant Screen Page Time, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, if the Reference Rate is EURIBOR, the Euro zone inter-bank market or, if otherwise, the Relevant Inter-Bank Market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Rate Multiplier or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) *Benchmark discontinuation*

(a) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(b)(iii)(C)(b)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5(b)(iii)(C)(c)) and any Benchmark Amendments (in accordance with Condition 5(b)(iii)(C)(d)).

An Independent Adviser appointed pursuant to this Condition 5(b)(iii)(C) shall act in good faith in a commercially reasonable manner as an independent expert and in consultation with the Issuer. The Issuer will not take any discretionary decision on the basis of such consultation. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agents, or the Noteholders or the Couponholders for any determination made by it, pursuant to this Condition 5(b)(iii)(C).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(b)(iii)(C)(a) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this Condition 5(b)(iii)(C)(a) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 5(b)(iii)(C)(a).

(b) Successor Rate or Alternative Rate

If the Independent Adviser, determines that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(b)(iii)(C)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(b)(iii)(C)); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(b)(iii)(C)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(b)(iii)(C)).

(c) Adjustment Spread

If the Independent Adviser, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(d) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5(b)(iii)(C) and the Independent Adviser, determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(b)(iii)(C)(e), without any requirement for the consent or approval of Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

For the avoidance of doubt, and in connection with any such variation in accordance with this Condition 5(b)(iii)(C)(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(b)(iii)(C) will be notified promptly by the Issuer, after receiving such information from the Independent Adviser, to the Fiscal Agent, the Calculation Agent, the Paying Agents, the Representative of the *Masse* and, in accordance with Condition 14, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

The Issuer shall deliver to the Fiscal Agent a certificate signed by one authorised signatory of the Issuer:

- (i) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, mentioned in (i), (ii) and (iii) and as determined by the Independent Adviser in accordance with the provisions of this Condition 5(b)(iii)(C); and
- (ii) certifying that the Independent Adviser has confirmed that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Fiscal Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Fiscal Agent’s ability to rely on such certificate as aforesaid) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agent and the Noteholders.

(f) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 5(b)(iii)(C) (a), (b), (c) and (d), the Original Reference Rate and the fallback provisions provided for in Condition 5(b)(iii)(B) will continue to apply unless and until a Benchmark Event has occurred.

(g) New Benchmark Event in respect of the Successor Rate or Alternative Rate

If Benchmark Amendments have been implemented pursuant to this Condition 5(b)(iii)(C) and a new Benchmark Event occurs in respect of the then applicable Successor Rate or Alternative Rate, the provisions of this Condition 5(b)(iii)(C) shall apply as if the Successor Rate or Alternative Rate were the Original Reference Rate.

(D) Linear Interpolation

Where Linear Interpolation is specified in the relevant Final Terms to be applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where “Screen Rate Determination” is specified to be applicable in the relevant Final Terms) or the relevant Floating Rate Option (where “ISDA Determination” is specified to be applicable in the relevant Final Terms), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available the next longer than the length of the relevant Interest Accrual Period, provided however, that if there is no such rate available for a period of time shorter or, as the case may be, longer than the relevant Interest Accrual Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“**Applicable Maturity**” means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(c) Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that will automatically change from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms.

(d) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(b)(i)).

(e) Accrual of Interest

Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgement) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(f) Margin, Maximum/Minimum Rates of Interest and Redemption Amounts, Rate Multipliers and Rounding

- (i) If any Margin or Rate Multiplier is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be. In no event shall the amount of interest payable (including, for the sake of clarity, any applicable margin) be less than zero.
- (iii) For the purposes of any calculations required pursuant to these Conditions, (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country/ies of such currency.

(g) Calculations

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period in the Final Terms, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(h) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts

As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or any Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are admitted to trading on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the second Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may

subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(i) Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Adjustment Spread**” means either a spread (which may be positive or negative), or the formula or the methodology for calculating a spread, in either case, which the Independent Adviser determines and which is required to be applied to the Successor Rate or the Alternative Rate, as the case may be, to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit, as the case may be, to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate, as the case may be, and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)
- (ii) the Independent Adviser determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be; or (if the Issuer determines that no such industry standard is recognised or acknowledged)
- (iii) the Independent Adviser determines to be appropriate.

“**Alternative Rate**” means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5(b)(iii)(C)(b) and which is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

“**Benchmark Amendments**” has the meaning given to it in Condition 5(b)(iii)(C)(d).

“**Benchmark Event**” means:

- (i) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, in each case within the following six months; or

- (v) it has become unlawful for any Paying Agent, Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

For the avoidance of doubt, in respect of paragraphs (ii), (iii) and (iv) above, such public statement will not constitute a Benchmark Event before the date falling six months prior the date specified in the relevant public announcement on which the Original Reference Rate is permanently or indefinitely discontinued or prohibited.

“**Business Day**” means:

- (i) in the case of a currency other than Euro or RMB, a day (other than a Saturday, Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in relation to any sum payable in RMB, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in RMB in Hong Kong and in the relevant Business Centre(s) (if any); and/or
- (iii) in the case of Euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”); and/or
- (iv) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period, the “Calculation Period”):

- (i) if “**Actual/Actual**” or “**Actual/Actual - ISDA**” or “**Act/Act**” or “**Act/Act - ISDA**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**Actual/Actual ICMA**” is specified in the relevant Final Terms:
 - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (b) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the next Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year;
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in

such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date specified herein or, if none is so specified, the Interest Payment Date.

- (v) if “**30/360**” is specified in the relevant Final Terms, the number of days in the Calculation Period by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30

- (vi) if “**30E/360**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30

- (vii) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

“**Effective Date**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

“**Euro-zone**” means the region comprised of member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the EC as amended.

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(b)(iii)(C)(a).

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“**Interest Amount**” means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be.

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Final Terms.

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period or the interest amount in relation to RMB Notes, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither

Sterling nor Euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro.

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“**Interest Period Date**” means each Interest Payment Date.

“**ISDA Definitions**” means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.

“**Original Reference Rate**” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes as specified in the relevant Final Terms.

“**Reference Rate**” means the rate specified as such in the relevant Final Terms (or any Successor Rate or Alternative Rate)

“**Rate of Interest**” means the rate of interest payable from time to time in respect of any particular Note and that is specified in the relevant Final Terms.

“**Reference Banks**” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market or, if otherwise, the principal offices of five major banks in the Relevant Inter-Bank Market, in each case selected by the Calculation Agent or as specified in the relevant Final Terms.

“**Relevant Financial Centre**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, London.

“**Relevant Inter-Bank Market**” means such inter-bank market as may be specified in the relevant Final Terms.

“**Relevant Nominating Body**” means, in respect of a benchmark or screen rate, as applicable:

- (vi) the central bank for the currency to which the benchmark or screen rate, as applicable, relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate, as applicable; or
- (vii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate, as applicable, relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate, as applicable, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

“**Relevant Rate**” means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms.

“**Relevant Screen Page Time**” means such time as may be specified in the relevant Final Terms (or any successor or replacement page, section, caption, column or other part of a particular information service).

“**Relevant Time**” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre or, if no such customary local time exists, 11.00 hours in the Relevant Financial Centre and, for the purpose of this definition, “**local time**” means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, Brussels Time.

“**Representative Amount**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, an amount that is representative for a single transaction in the relevant market at the time.

“**RMB Note**” means a Note denominated in RMB.

“**Specified Currency**” means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated.

“**Successor Rate**” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

“**Specified Duration**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(b)(ii).

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System or any successor thereto.

(j) Calculation Agent and Reference Banks

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined in the Agency Agreement). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid and notice of any such change of Calculation Agent shall promptly be given to the Noteholders in accordance with Condition 14 below.

(k) RMB Notes

Notwithstanding the foregoing, each RMB Note which is a Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate per annum equal to the Rate of Interest. For the purposes of calculating the amount of interest, if any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which case it shall be brought forward to the immediately preceding Business Day. Interest will be payable in arrear on each Interest Payment Date.

The Calculation Agent will, as soon as practicable after the Relevant Time as specified in the relevant Final Terms on each Interest Determination Date, calculate the amount of interest payable per Specified Denomination for the relevant Interest Period. The determination of the amount of interest payable per Specified Denomination by the Calculation Agent shall (in the absence of manifest error and after confirmation by the Issuer) be final and binding upon all parties.

The Calculation Agent will cause the amount of interest payable per Specified Denomination for each Interest Period and the relevant Interest Payment Date to be notified to each of the Paying Agents and to be notified to Noteholders as soon as possible after their determination but in no event later than the fourth Business Day thereafter. The amount of interest payable per Specified Denomination and Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an adjustment of the Interest Period, if the Interest Payment Date is not a Business Day. If the Notes become due and payable under Condition 10, the accrued interest per Specified Denomination shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this provision but no publication of the amount of interest payable per Specified Denomination so calculated need be made.

Interest shall be calculated in respect of any period by applying the Rate of Interest to the Specified Denomination, multiplying such product by the actual number of days in the relevant Interest Period or, as applicable, other period concerned and dividing it by 365, and rounding the resultant figure to the nearest RMB sub-unit, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

6 Redemption, Purchase and Options

(a) Final Redemption

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount).

(b) Early Redemption:

(i) Zero Coupon Notes:

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Nominal Amount (calculated as provided below) of such Note.
- (B) Subject to the provisions of sub-paragraph (C) below, the “**Amortised Nominal Amount**” of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms,

shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgement) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Final Terms.

- (ii) **Other Notes:** The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount.

(c) Redemption for Taxation Reasons:

- (i) If, by reason of any change in, or any change in the official application or interpretation of, the law of a Relevant Jurisdiction (as defined below), becoming effective after the Issue Date, the Issuer [or, the Guarantor (in respect of the Guarantee)] would on the occasion of the next payment of principal or interest due in respect of the Notes or Coupons, not be able to make such payment without having to pay additional amounts as specified under Condition 8 below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than 45 nor less than 30 days' prior notice to the Noteholders or, if applicable, to the holders of Coupons (the "**Couponholders**") (which notice shall be irrevocable) in accordance with Condition 14, redeem all, but not some only, of the Notes at their Redemption Amount together with any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer [or, the Guarantor (in respect of the Guarantee)] could make payment of principal and interest without withholding for such additional amounts.
- (ii) If the Issuer [or, the Guarantor (in respect of the Guarantee)] would on the next payment of principal or interest in respect of the Notes or Coupons be prevented by the law of a Relevant Jurisdiction from making payment to the Noteholders or, if applicable, Couponholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8 below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders or, if applicable, the Couponholders, in accordance with Condition 14, redeem all, but not some only, of the Notes then outstanding at their Redemption Amount together with any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date on which the Issuer [or the Guarantor] could make payment of the full amount then due and payable in respect of the Notes or, if applicable, Coupons, provided that if such notice would expire after such Interest Payment Date the date for redemption

pursuant to such notice of Noteholders or, if applicable, Couponholders, shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Coupons or, if that date is passed, as soon as practicable thereafter.

“**Relevant Jurisdiction**” means the Republic of France or any other jurisdiction in which the Issuer [or, the Guarantor (in respect of the Guarantee)], or its successor, is or becomes organised or resident for tax purposes, or any political subdivision or taxing authority in, or of, any of the foregoing.

(d) Make-Whole Redemption by the Issuer:

If a Make-Whole Redemption by the Issuer is specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than 15 nor more than 30 days’ irrevocable notice in accordance with Condition 14 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms), have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to their Maturity Date (the “**Optional Redemption Date**”) at their Optional Redemption Amount. The Optional Redemption Amount will be calculated by the Calculation Agent and will be the greater of (x) 100 per cent. of the nominal amount of the Notes so redeemed and, (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (not including any interest accrued on the Notes to, but excluding, the relevant Optional Redemption Date) discounted to the relevant Optional Redemption Date on an annual basis at the Redemption Rate plus a Redemption Margin (as specified in the relevant Final Terms), plus in each case (x) or (y) above, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

If a Residual Maturity Call Option is specified in the relevant Final Terms and if the Issuer decides to redeem the Notes pursuant to the Make-Whole Redemption by the Issuer before the Residual Maturity Call Option Date (as specified in the relevant Final Terms) pursuant to Condition 6(g) above, the Optional Redemption Amount in respect of the Make Whole Redemption by the Issuer will be calculated taking into account the Residual Maturity Call Option Date pursuant to Condition 6(g) below and not the Maturity Date.

The “**Redemption Rate**” is the average of the four quotations (eliminating the highest quotation (or, in the event of equality, one of the highest quotations) and the lowest quotation (or in the event of equality, one of the lowest quotations)) given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Security (as specified in the relevant Final Terms) on the fourth business day preceding the Optional Redemption Date at 11.00 a.m. (Central European time (CET)).

“**Reference Dealers**” means each of the four banks selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues or as specified in the relevant Final Terms.

If the Reference Security is no longer outstanding, a Similar Security specified in the Final Terms, will be chosen by the Calculation Agent at 11.00 a.m. (Central European time (CET)) on the third business day in London preceding the Optional Redemption Date, quoted in writing by the Calculation Agent to the Issuer and notified in accordance with Condition 14.

The Redemption Rate will be notified by the Issuer in accordance with Condition 14.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

In the case of a partial redemption of, or a partial exercise of the Issuer's option in respect of, Materialised Notes, the notice to holders of such Materialised Notes shall also contain the numbers of the Definitive Materialised Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances and taking account of prevailing market practices, subject to compliance with any applicable laws and requirements of the Regulated Market on which the Notes are admitted to trading.

In the case of a partial redemption of, or a partial exercise of the Issuer's option in respect of, Dematerialised Notes, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes of any Series that will not be redeemed shall be made in accordance with Article R.213-16 of the Code, subject to compliance with any other applicable laws and requirements of the Regulated Market on which the Notes are admitted to trading. In no event, the outstanding nominal amount of each Note following such reduction shall be below any amount which would prevent the Issuer from choosing its home Member State (as such term is defined in the Prospectus Directive).

Any notice given by the Issuer pursuant to this Condition 6(d) shall be deemed void and of no effect in relation to any Note in the event that, prior to the giving of such notice by the Issuer, the relevant Noteholder had already delivered an Exercise Notice in relation to such Note in accordance with Condition 6(f) below.

So long as the Notes are admitted to trading on a Regulated Market and the rules of that stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in accordance with Articles 221-3 and 221-4 of the General Regulation (*Règlement Général*) of the AMF and on the website of any other competent authority and/or Regulated Market where the Notes are admitted to trading, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes a list of any Definitive Materialised Notes drawn for redemption but not surrendered.

(e) Redemption at the Option of the Issuer and Exercise of Issuer's Options and Partial Redemption

If Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem, or exercise any Issuer's option (as may be described in the relevant Final Terms) in relation to, all or, if so provided, some, of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified in the relevant Final Terms and no greater than the maximum nominal amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the certificate numbers of the Definitive Materialised Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements.

In the case of a partial redemption of or a partial exercise of an Issuer's option in respect of Dematerialised Notes of any Series, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes that will not be redeemed shall be made in accordance with Article R.213-16 of the Code and the provisions of the relevant Final Terms, subject to compliance with any other applicable laws and stock exchange requirements.

So long as the Notes are admitted to trading on a Regulated Market and the rules of that stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in accordance with Articles 221-3 and 221-4 of the General Regulation (*Règlement Général*) of the AMF and on the website of any other competent authority and/or Regulated Market where the Notes are admitted to trading, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes a list of any Definitive Materialised Notes drawn for redemption but not surrendered.

(f) Redemption at the Option of Noteholders and Exercise of Noteholders' Options

If Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option or any other Noteholders' Option that may be set out in the relevant Final Terms (which must be exercised on an Option Exercise Date) the holder must deposit with any Paying Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent within the notice period. In the case of Materialised Notes, the Exercise Notice shall have attached to it the relevant Notes (together with all unmatured Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Fiscal Agent or the Paying Agent with a specified office in Paris as specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred, may be withdrawn without the prior consent of the Issuer.

(g) Residual Maturity Call Option

If a Residual Maturity Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 14 to the Noteholders redeem the Notes, in whole or in part, at par together with interest accrued to, but excluding, the date fixed for redemption, which shall be no earlier than (i) three months before the Maturity Date in respect of Notes having a maturity of not more than seven years or (ii) six months before the Maturity Date in respect of Notes having a maturity of more than seven years, until the Maturity Date (in each case, the "**Residual Maturity Call Option Date**") as specified in the relevant Final Terms.

For the purpose of the preceding paragraph, the maturity of not more than seven years or the maturity of more than seven years shall be determined as from the Issue Date of the first Tranche of the relevant Series of Notes.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the relevant provisions of Condition 6(d) shall apply *mutatis mutandis* to this Condition 6(g).

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

(h) Redemption at the Option of Noteholders following a Change of Control

If Change of Control Put Option is specified in the relevant Final Terms, and if at any time while any such Note remains outstanding there occurs a Change of Control of Schneider Electric SE and within the Change of Control Period a Rating Downgrade occurs as a result of that Change of Control or as a result of a Potential Change of Control (a “**Put Event**”), then the holder of such Note will have the option (the “**Change of Control Put Option**”) (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem such Note under Condition 6(c)) to require the Issuer to redeem or, at the Issuer’s option, to procure the purchase of that Note on the Optional Redemption Date (all as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date.

For the purpose of this Condition 6(h) and for the avoidance of doubt, any reference to Schneider Electric SE shall refer to Schneider Electric SE, as Issuer, and, in the event of substitution of Schneider Electric SE in accordance with Condition 15, to Schneider Electric SE, as Guarantor.

A “**Change of Control**” shall be deemed to have occurred at each time that any person or persons acting in concert come(s) to own or acquire(s) (i) more than 50 per cent. of the issued share capital of Schneider Electric SE or (ii) such number of the shares in the capital of Schneider Electric SE carrying more than 50 per cent. of the voting rights.

“**Change of Control Period**” means:

- (i) pursuant to a Change of Control, the period commencing on the date of the public announcement of the result (*avis de résultat*) by the *Autorité des marchés financiers* (the “**AMF**”) of the relevant Change of Control and ending on the date which is 90 days (inclusive) after the date of the public announcement by the AMF of the relevant Change of Control provided that (a) a Rating Downgrade occurs during that period and (b) such Rating Downgrade results from a Change of Control; or
- (ii) pursuant to a Potential Change of Control, the period commencing 180 days prior to the date of the public announcement of the result (*avis de résultat*) by the AMF of the relevant Change of Control and ending on the date of such announcement (inclusive) provided that (a) a Rating Downgrade occurs during that period and (b) such Rating Downgrade results from a Potential Change of Control.

“**Rating Agency**” means S&P or any other rating agency of equivalent international standing requested from time to time by the Issuer [or, the Guarantor] to grant a rating to the Notes and, in each case, their respective successors or affiliates.

A “**Rating Downgrade**” shall be deemed to have occurred in respect of a Change of Control or in respect of a Potential Change of Control if within the Change of Control Period:

(A) the rating previously assigned to the Notes by any Rating Agency is (x) withdrawn or (y) changed from an investment grade rating (BBB-, or its respective equivalents for the time being, or better) to a non-investment grade rating (BB+, or their respective equivalents for the time being, or worse) or (z) if the rating previously assigned to the Notes by any Rating Agency was below an investment grade rating (as described above), lowered by at least one full rating notch, or

(B) the Notes have no credit rating, and no Rating Agency assigns within the Change of Control Period an investment grade credit rating to the Notes, unless Schneider Electric SE has a credit rating from a Rating Agency, in which case paragraph (A) shall apply to the credit rating assigned to Schneider Electric SE by any Rating Agency; and

provided that (i) a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control or Potential Change of Control, as the case may be, if the Rating Agency making the change in rating does not publicly announce or publicly confirm that the reduction was the result of the Change of Control or the Potential Change of Control, as the case may be, and (ii) any Rating Downgrade has to be confirmed in a letter, or other form of written communication, sent to the Issuer [or, the Guarantor] and publicly disclosed. When a substitution of the Issuer in accordance with Condition 15 has occurred, the written confirmation from the relevant Rating Agency shall be promptly notified to the Substituted Issuer by Schneider Electric SE.

“**Potential Change of Control**” means any public announcement or statement by Schneider Electric SE, any actual or potential bidder relating to any potential Change of Control of Schneider Electric SE.

As soon as the Rating Agency authorises the Issuer [or, the Guarantor] to disclose the Rating Downgrade, the Issuer [or, the Guarantor] becoming aware that a Put Event has occurred shall promptly give notice (a “**Put Event Notice**”) to the Noteholders in accordance with Condition 14 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option. When a substitution of the Issuer in accordance with Condition 15 has occurred, the Put Event Notice shall be promptly notified to the Substituted Issuer by Schneider Electric SE.

To exercise the Change of Control Put Option to require redemption or, as the case may be, purchase of a Note following a Put Event, the holder of that Note must in the case of Dematerialised Notes, transfer or cause to be transferred or, in the case of Materialised Notes, deposit or cause to be deposited such Note (together, if applicable, with all unmatured Coupons and unexchanged Talons) with any Paying Agent at its specified office within the period (the “**Put Period**”) of 45 days after the Put Event Notice is given together with a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (as applicable) (a “**Put Option Notice**”) and in which the holder may specify a bank account to which payment is to be made.

The Issuer shall redeem or, at the option of the Issuer, procure the purchase of, the Notes in respect of which the Change of Control Put Option has been validly exercised as provided above, and subject to the transfer of such Notes to the account of the relevant Paying Agent for the account of the Issuer as described above on the date which is the fifth Business Day following the end of the Put Period (the “**Optional Redemption Date**”). Payment in respect of any Note so transferred will be made in Euro to the holder to the specified Euro-denominated bank account in the Change of Control Put Option Notice on the Optional Redemption Date via the relevant Paying Agent.

(i) Clean-Up Call Option

If a Clean-Up Call Option is specified in the relevant Final Terms and if 80 per cent. or any other percentage above as specified in the relevant Final Terms (the “**Clean-Up Percentage**”) of the initial aggregate nominal amount of Notes of the same Series have been redeemed or purchased and, in each case, cancelled, the Issuer may, on giving not less than 15 nor more than 30 days’ irrevocable notice in accordance with Condition 14 to the Noteholders redeem the Notes, in whole but not in part, at the Early Redemption Amount together with interest accrued to, but excluding, the date fixed for redemption.

(j) Purchases

The Issuer and any of its Subsidiaries may at any time purchase Notes (provided that, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Unless the possibility of holding and reselling is expressly excluded in the Final Terms, all Notes so purchased by the Issuer may be held and resold in accordance with applicable French laws and regulations.

(k) Cancellation

All Notes purchased by or on behalf of the Issuer for cancellation or any of its Subsidiaries will forthwith be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Notes, by surrendering each such Materialised Note together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(l) Illegality

If, by reason of any change in French law or any change in the official application of such law, becoming effective after the Issue Date, it becomes unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes [or for the Guarantor to perform and comply with one or more of its obligations under the Guarantee], the Issuer will, subject to having given not more than 45 nor less than 30 days’ notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption.

7 Payments and Talons

(a) Dematerialised Notes

Payments of principal and interest in respect of Dematerialised Notes shall be made (i) in the case of Dematerialised Notes in bearer dematerialised form or administered registered dematerialised form, by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the relevant Noteholder and (ii) in the case of Dematerialised Notes in fully registered form, to an account denominated in the relevant currency with a Bank designated by the relevant Noteholder. All payments validly made to such Account Holders will constitute an effective discharge of the Issuer in respect of such payments.

(b) Materialised Notes

Payments of principal and interest in respect of Materialised Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Materialised Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(v)) or Coupons (in the case of interest, save as specified in Condition 7(f)(v)), as the case may be, (i) in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank and (ii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a Bank. “**Bank**” means a bank in the principal financial centre for such currency or, in the case of Euro, in a city in which banks have access to the TARGET System, or in the case of RMB, in Hong Kong.

(c) Payments in the United States

Notwithstanding the foregoing, if any Materialised Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Materialised Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer [or the Guarantor, if payment is being made under the Guarantee].

(d) Payments Subject to Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) Appointment of Agents

The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Registration Agent and the Consolidation Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent expert(s) and, in each case, do not assume any obligation or relationship of agency or trust for or with any Noteholder or holder of a coupon (a “**Couponholder**”). The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Registration Agent, the Consolidation Agent and the Calculation Agent(s), and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) Paying Agents having specified offices in at least two major European cities of which, so long as the Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and the rules of such Regulated Market so require, one shall be Luxembourg, and a Paying Agent having a specified office in a major European city outside France, (v) in the case of Dematerialised Notes in fully registered form, a Registration Agent and, (vi) such other agents as may be required by the rules of any other stock exchange on which the Notes may be admitted to trading.

In addition, the Issuer [or the Guarantor, if payment is being made under the Guarantee] shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 14 below.

(f) Unmatured Coupons and Unexchanged Talons

- (i) Unless Materialised Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Materialised Notes should be surrendered for payment together with all unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) If Materialised Notes so provide, upon the due date for redemption of any such Materialised Note, unmaturing Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Materialised Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Materialised Note that provides that the relative unmaturing Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmaturing Coupons, and where any such Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Materialised Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note representing it, as the case may be. Interest accrued on a Materialised Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note representing it, as the case may be.

(g) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) Non-Business Days

If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is

open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) on which banks and foreign exchange markets are open for business in such jurisdictions as shall be specified as “**Financial Centres**” in the relevant Final Terms and (C) (i) (in the case of a payment in a currency other than Euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) (in the case of a payment in Euro) which is a TARGET Business Day, or (iii) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

(i) Payment of US Dollar Equivalent

Notwithstanding any other provision in these Conditions, if an Inconvertibility, Non-Transferability or Illiquidity occurs or if RMB is otherwise not available to the Issuer as a result of circumstances beyond its control and such unavailability has been confirmed by a RMB Dealer, following which the Issuer is unable to satisfy payments of principal or interest (in whole or in part) in respect of RMB Notes, the Issuer on giving not less than five nor more than 30-days irrevocable notice to the Noteholders prior to the due date for payment, may settle any such payment (in whole or in part) in US dollars on the due date at the US Dollar Equivalent of any such RMB denominated amount.

In such event, payments of the US Dollar Equivalent of the relevant principal or interest in respect of the Notes shall be made by transfer to the U.S. dollar account of the relevant Account Holders for the benefit of the Noteholders. For the avoidance of doubt, no such payment of the US Dollar Equivalent shall by itself constitute a default in payment within the meaning of Condition 10.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7(i) by the RMB Rate Calculation Agent, will (in the absence of manifest error) be binding on the Issuer, the Agents and all Noteholders.

For the purposes of this Condition 7(i):

“**Governmental Authority**” means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong or any other relevant jurisdiction of a Renminbi offshore market.

“**Illiquidity**” means that the general RMB exchange market in Hong Kong or any other relevant jurisdiction of a Renminbi offshore market becomes illiquid, other than as a result of an event of Inconvertibility or Non-Transferability, as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two RMB Dealers as a result of which event the Issuer cannot, having used its reasonable endeavours, obtain sufficient RMB in order fully to satisfy its obligation to pay interest or principal in respect of the RMB Notes.

“**Inconvertibility**” means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of RMB Notes in the general RMB exchange market in Hong Kong or any other relevant jurisdiction of a Renminbi offshore market, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“**Non-Transferability**” means the occurrence of any event that makes it impossible for the Issuer to deliver RMB between accounts inside Hong Kong or any other relevant jurisdiction of a Renminbi offshore market from an account inside Hong Kong or any other relevant jurisdiction of

a Renminbi offshore market or to an account outside Hong Kong or any other relevant jurisdiction of a Renminbi offshore market, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“**RMB Dealer**” means an independent foreign exchange dealer of international repute active in the RMB exchange market in Hong Kong or any other relevant jurisdiction of a Renminbi offshore market reasonably selected by the Issuer.

“**RMB Note**” means a Note denominated in RMB.

“**RMB Rate Calculation Agent**” means the agent appointed from time to time by the Issuer for the determination of the RMB Spot Rate or identified as such in the relevant Final Terms.

“**RMB Rate Calculation Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong or any other relevant jurisdiction of a Renminbi offshore market and in New York City.

“**RMB Rate Calculation Date**” means the day which is two RMB Rate Calculation Business Days before the due date for payment of the relevant RMB amount under the Conditions.

“**RMB Spot Rate**” for a RMB Rate Calculation Date means the spot CNY/US dollar exchange rate for the purchase of US dollars with CNY in the over-the-counter CNY exchange market in Hong Kong or any other relevant jurisdiction of a Renminbi offshore market for settlement on the relevant due date for payment, as determined by the RMB Rate Calculation Agent at the Relevant Time as specified in the relevant Final Terms on such RMB Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither such rate is available, the RMB Rate Calculation Agent will determine the RMB Spot Rate at the Relevant Time as specified in the relevant Final Terms on the RMB Rate Calculation Date as the most recently available CNY/U.S. dollar official fixing rate for settlement on the relevant due date for payment reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

“**US Dollar Equivalent**” means the relevant RMB amount converted into US dollars using the RMB Spot Rate for the relevant RMB Rate Calculation Date, as calculated by the RMB Rate Calculation Agent.

8 Taxation

(a) Withholding Tax exemption

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes or Coupons [or payments under the Guarantee] shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

(b) Additional Amounts

If the law or regulation of a Relevant Jurisdiction should require that payments of principal, or interest in respect of any Note or Coupon [or payments under the Guarantee] be subject to deduction or withholding in respect of any present or future taxes, duties, assessments or governmental

charges of whatever nature imposed, levied, collected, withheld or assessed by or within any Relevant Jurisdiction or any authority therein or thereof having power to tax, the Issuer will [or, as the case may be, the Guarantor in the case of payments under the Guarantee], to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon [or payments under the Guarantee], as the case may be:

- (i) **Other connection:** to, or to a third party on behalf of, a Noteholder or, if applicable, a Couponholder, as the case may be, who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Note or Coupon; or
- (ii) **Presentation more than 30 days after the Relevant Date:** in the case of Materialised Notes, more than 30 days after the Relevant Date except to the extent that the Noteholder or, if applicable a Couponholder, as the case may be, would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon [or payments under the Guarantee] means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

(c) Supply of information

Each Noteholder shall be responsible for supplying to the relevant Paying Agent, in a timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by Article 242 ter of the French *Code général des impôts* and Articles 49 I ter to 49 I sexies of Annexe III to the French *Code général des impôts*.

9 Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

The Representative (as defined under Condition 11), upon request of any Noteholder, may, upon written notice to the Issuer and the Fiscal Agent given before all defaults shall have been cured, cause the principal amount of all the Notes (but not some only) held by such Noteholder to become immediately due and payable, together with accrued interest thereon, as of the date on which such notice for payment is received

by the Fiscal Agent without further formality, if any of the following events (each an “**Event of Default**”) shall occur:

- (i) in the event of default by the Issuer in the payment of principal and interest on any Note [or the Guarantor defaults in any payment when due under the Guarantee], when and as the same shall become due and payable, if such default shall not have been cured within 7 business days from such due date;
- (ii) in the event of default by the Issuer [or the Guarantor] in the due performance of any other provision of the Notes [or the Guarantee], if such default shall not have been cured within 21 business days after receipt by the Fiscal Agent of written notice of such default given by a Noteholder;
- (iii) any other present or future indebtedness of the Issuer [, the Guarantor] or any Principal Subsidiary for borrowed monies in excess of Euro 100,000,000 (or its equivalent in any other currency), whether individually or in the aggregate, becomes, following, where applicable, the expiry of any originally applicable grace period, due and payable prior to its stated maturity as a result of a default thereunder, or any such indebtedness shall not be paid when due or, as the case may be, within any originally applicable grace period therefor or any steps shall be taken to enforce any security in respect of any such indebtedness or any guarantee or indemnity given by the Issuer [, the Guarantor] or any Principal Subsidiary for, or in respect of, any such indebtedness of others shall not be honoured when due and called upon;
- (iv) a judgement is issued for the judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer [, the Guarantor] or any Principal Subsidiary or, to the extent permitted by law, the Issuer [, the Guarantor] or any Principal Subsidiary is subject to any other insolvency or bankruptcy proceedings or the Issuer [, the Guarantor] or any Principal Subsidiary makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors;
- (v) in the event that the Issuer [or the Guarantor] or any Principal Subsidiary ceases to carry on all or a material part of its or their business or other operations, except for the purposes of and following a merger or reorganisation (*fusion, scission or apport partiel d'actifs*) (i) in the case of the Issuer, on terms approved by a Collective Decision of the Noteholders if French law were to require such merger or reorganisation to be approved by a Collective Decision of the Noteholders or (ii) or in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are vested in the Issuer, another of the Principal Subsidiaries or any other Subsidiary which as a result of such merger or reorganisation becomes a Principal Subsidiary;
- (vi) [the Guarantee is not (or is claimed by Schneider Electric SE not to be) in full force and effect; or]
- (vii) [the Issuer ceases to be a Subsidiary of Schneider Electric SE].

For the purpose paragraphs (iii), (iv) and (v) above, the term “**Principal Subsidiary**” shall have the same meaning as under Condition 4 hereinabove

11 Representation of Noteholders

In respect of the representation of the Noteholders, the following shall apply:

(a) *Masse*

Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a masse (in each case, the “*Masse*”), which will be subject to the below provisions of this Condition 11.

The *Masse* will be governed by the provisions of the French *Code de commerce*, with the exception of Articles L.228-48, L.228-59, the second sentence of Article L.228-65 II, L.228-71, R.228-63 and R.228-69 of the French *Code de Commerce* and subject to the following provisions:

- (i) **Legal Personality:** The *Masse* will be a separate legal entity and will act in part through a representative (the “**Representative**”) and in part through a general meeting of the Noteholders (the “**General Meeting**”) or by consent following a Consultation in Writing (as defined and further described in Condition 11 b) below) (together, “**Collective Decisions**”).
- (ii) The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.
- (iii) **Representative:** The office of the Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:
 - (a) the Issuer, the members of its Board of Directors (*Conseil d’administration*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouses; or
 - (b) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*Conseil d’administration*), Management Board (*Directoire*) or Supervisory Board (*Conseil de surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouses; or
 - (c) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
 - (d) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the *Masse* and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single *Masse* of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement, dissolution or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of death, retirement, dissolution or revocation of appointment of the alternate Representative, an alternate will be elected by Collective Decision.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

- (iv) **Powers of the Representative:** The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not interfere in the management of the affairs of the Issuer.

- (v) **General Meeting:** A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting, together with the proposed agenda for such General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 14 not less than 15 days prior to the date of such General Meeting.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, correspondence, or, videoconference or any other means of telecommunications allowing the identification of the participating Noteholders as provided *mutatis mutandis* by Article R.223-20-1 of the French *Code de commerce*. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

- (vi) **Powers of the General Meetings:** The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) to Noteholders, nor establish any unequal treatment between the Noteholders, nor to decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Noteholders attending such General Meetings or represented thereat.

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in Collective Decisions will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder on the second business day in Paris preceding the date set for the meeting of the relevant Collective Decision at 0:00, Paris time.

Decisions of General Meetings and Consultation in Writing must be published in accordance with the provisions set forth in Condition 14.

- (b) **Consultation in Writing:** Pursuant to Article L.228-46-1 of the French *Code de commerce*, but in respect of any Series of Dematerialised Notes only, the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the Noteholders by way of a Consultation in Writing. Subject to the following sentence a Consultation in Writing may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Noteholders. Pursuant to Articles L.228-46-1 and R.225-97 of the French *Code de commerce* approval of a Consultation in Writing may also be given by way of electronic communication allowing the identification of Noteholders (“**Electronic Consent**”).

Notice seeking the approval of a Consultation in Writing (including by way of Electronic Consent) will be published as provided under Condition 14 not less than 10 days prior to the date fixed for the passing of such Consultation in Writing (the “**Consultation Date**”). Notices seeking the approval of a Consultation in Writing will contain the conditions of form and time-limits to be complied with by the Noteholders who wish to express their approval or rejection of such proposed Consultation in Writing. Noteholders expressing their approval or rejection before the Consultation in Writing Date will undertake not to dispose of their Notes until after the Consultation Date.

A “**Consultation in Writing**” means a resolution in writing signed or approved by or on behalf of the Noteholders representing not less than 75 per cent. in nominal amount of the Notes outstanding.

- (c) **Information to Noteholders:** Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting on first convocation and 10-day period preceding the holding of each General Meeting on second convocation or the Consultation Date, to consult or make a copy of the text of the resolutions which will be proposed and of the reports prepared in connection with such resolutions, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting or Consultation in Writing. Any notice to be given to Noteholders in accordance with this Condition 11 shall be given in accordance with Condition 14(e) below.
- (d) **Expenses:** The Issuer will pay all expenses relating to the operation of the *Masse*, including expenses relating to the calling and holding of General Meetings and seeking a Consultation in Writing and, more generally, all administrative expenses resolved upon by the General Meeting or in writing by the Noteholders, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.
- (e) **Single Masse:** The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 13, shall, for the defence of their respective common interests, be grouped in a single *Masse*. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single *Masse* of all such Series.
- (f) **One Noteholder:** If and for so long as the Notes of any Series are held by a single Noteholder and unless a Representative has been appointed in relation to such Series, such Noteholder shall exercise all powers, rights and obligations entrusted to the *Masse* by the provisions of Condition 11. The Issuer shall hold a register of the decisions taken by the sole Noteholder and shall make them available, upon request, to any subsequent holder of any of the Notes of such Series.
- (g) **Benchmark Discontinuation:** By subscribing the Notes and solely in the context of a Benchmark Event which leads to the application of a Benchmark Amendment, each Noteholder shall be deemed to have agreed and approved any Benchmark Amendments or such other necessary changes pursuant to Condition 5(b)(iii)(C).

For the avoidance of doubt, in this Condition 11 “**outstanding**” shall not include those Notes subscribed or purchased by the Issuer that are held by it and not cancelled in accordance with applicable French laws and regulations as referred to in Condition 6(j).

12 Replacement of definitive Notes, Coupons and Talons

If, in the case of any Materialised Notes, a Definitive Materialised Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Definitive Materialised Notes, Coupons or Talons must be surrendered before replacements will be issued.

13 Further Issues and Consolidation

The Issuer may from time to time without the consent of the Noteholders, or Couponholders create and issue further notes to be assimilated (*assimilées*) with the Notes provided such Notes and the further Notes carry rights identical in all respects (or in all respects save for issue date, issue price, the principal amount thereof and the first payment of interest) and that the terms of such Notes provide for such assimilation, and references in these Conditions to “Notes” shall be construed accordingly.

The Issuer may from time to time on any Interest Payment Date occurring on or after the date specified for a redenomination of the notes pursuant to Condition 1(d), on giving not less than 30 days’ prior notice to the Noteholders in accordance with Condition 14, without the consent of the Noteholders or the Couponholders, consolidate the Notes with one or more issues of other notes issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

14 Notices

- (a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) at the option of the Issuer, they are published (a) so long as such Notes are admitted to trading on Euronext Paris, in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF and, (b) so long as such Notes are admitted to trading on any other Regulated Market or other stock exchange, and, to the extent applicable, laws or regulations or the rules of such Regulated Market or other stock exchange(s) so require, on the website of any other competent authority or Regulated Market where the Notes are admitted to trading, or (c) as otherwise provided in applicable laws, regulations or rules.
- (b) Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if, at the option of the Issuer, they are published (i) so long as such Notes are admitted to trading on Euronext Paris, in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF and, (ii) so long as such Notes are admitted to trading on any other stock exchange including any other Regulated Market, (a) in a leading daily newspaper of general circulation in the city/ies where the Regulated Market(s), or other stock exchange on which such Notes are admitted to trading is located, if the rules applicable to such Regulated Market or other stock exchange so require, or (b) on the website of any other competent authority or Regulated Market where the Notes are admitted to trading, or (c) or as otherwise provided in applicable laws, regulations or rules.

- (c) If any such publication is not practicable, notice shall be validly given if published in a leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Notes in accordance with this Condition.
- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication of a notice required by Conditions 14(a), (b) and (c) above; except that notices will be published (a) so long as such Notes are admitted to trading on Euronext Paris, in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF and (b) so long as the Notes are admitted to trading on any other Regulated Market(s) and the rules of such Regulated Market(s) so require, notices shall be published on the website of any other competent authority or Regulated Market where the Notes are admitted to trading, or (c) as otherwise provided in applicable laws, regulations or rules.
- (e) Notices relating to the convocation, decisions of General Meeting and Consultation in Writing pursuant to Condition 11 or to any decision taken by the Issuer following a General Meeting or a Consultation in Writing shall be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared and on the website of the Issuer (www.schneider-electrics.com).

15 Substitution of the Issuer

By subscribing the Notes, each Noteholder has agreed and approved, that, subject to the provisions of this Condition 15, Schneider Electric SE may be replaced and may be substituted by any of its Subsidiaries as principal debtor in respect of the Notes, without further consent from the Noteholders pursuant to Condition 11, provided that no payment in respect of the Notes is at the relevant time overdue. If Schneider Electric SE determines that any of its Subsidiaries will become the principal debtor (in such capacity, the “**Substituted Issuer**”), Schneider Electric SE shall give no less than 30 nor more than 45 days’ notice to the Noteholders of each Note then outstanding of such event and, immediately on the expiry of such notice, the Substituted Issuer shall become the principal debtor in respect of the Notes in place of Schneider Electric SE and Noteholders shall thereupon cease to have any rights or claims whatsoever against Schneider Electric SE as principal debtor. However, no such substitution shall take effect:

- (i) if the effect of such substitution would, at the time of such substitution, be that payments in respect of any Note would be required to be made subject to any withholding or deduction which would not otherwise arise in the absence of such substitution, without such withholding or deduction being borne by the Substituted Issuer through the gross-up mechanism;
- (ii) until Schneider Electric SE has entered into an unconditional and irrevocable first demand guarantee (*garantie autonome à première demande*), which is substantially in the form of the Form of Guarantee, in respect of the obligations of such Substituted Issuer under the Notes (the “**Guarantee**”);
- (iii) in any case, until the Substituted Issuer shall have provided to the Fiscal Agent and the Paying Agents such documents as may be necessary to make each Note and the Amended and Restated Agency Agreement legal, valid, binding and enforceable obligations;
- (iv) if the effect of such substitution would, at the time of such substitution, be that the relevant Notes cease to be listed and admitted to trading on the relevant Regulated Market where they are initially or before the substitution admitted for trading;

- (v) if the relevant Notes are rated at the relevant time, the Substituted Issuer has obtained, prior to the substitution date, a written confirmation from the Rating Agency that the substitution will not result in whole or in part in a withdrawal, downgrading, placement in credit-watch or negative outlook of the Notes;
- (vi) until a document describing the Substituted Issuer, the content of which would substantially contain the minimum requirements to be published when securities are admitted to trading under the Prospectus Directive; such document shall be published on the website of Schneider Electric SE;
- (vii) until such Substituted Issuer is validly incorporated under the laws of its jurisdiction of incorporation and have obtained all authorisations and approvals necessary for the substitution and the fulfilment of the obligations arising under the Notes;
- (viii) Schneider Electrics SE has, prior to the substitution date, delivered to the Representative(s) of the *Masse* of each Series of Notes and to the Fiscal Agent for the benefit of the holders of the relevant Series of Notes and Coupons legal opinion(s) in such form as agreed with the Representative(s) of the *Masse* of each Series of Notes, from an international law firm of good repute in France and, as the case may be, legal opinion(s) from an international law firm of good repute in the jurisdiction of incorporation of the Substituted Issuer, confirming the legality, validity and enforceability of the substitution, the relevant Notes, the Guarantee, the ancillary agreements required to be entered into in relation to the substitution and the obligations of the Substituted Issuer in relation to the substitution; and
- (ix) if such substitution would have a material adverse impact on the interests of the Noteholders.

In the event of such substitution, any reference in the Conditions (with the exception of Condition 6(h)) to the Issuer shall from then on be deemed to refer to the Substituted Issuer and any reference in the Conditions to the Republic of France shall from then on be deemed to refer to the country of incorporation of the Substituted Issuer.

Schneider Electric SE shall inform the AMF of any such substitution.

For the purposes of this Condition:

“**Subsidiary**” means, in relation to any person or entity at any time, a “*filiale*” as defined in Article L.233-1 of the French *Code de commerce* (modified or re-enacted from time to time) or any other person or entity controlled directly or indirectly by such person or entity within the meaning of Article L.233-3 of the French *Code de commerce*.

16 Governing Law and Jurisdiction

(a) Governing Law

The Notes (and, where applicable, the Coupons and the Talons) and all non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, French law.

(b) Jurisdiction

Any claim against the Issuer in connection with any Notes, Coupons or Talons may be brought before any competent court located in Paris.

TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALIZED NOTES

Temporary Global Certificate

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Notes. Upon the initial deposit of such Temporary Global Certificate with a common depository for Euroclear and Clearstream (the “**Common Depository**”), Euroclear or Clearstream will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depository may also (if indicated in the relevant Final Terms) credit the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems with a nominal amount of Notes. Conversely, a nominal amount of Notes that is initially deposited with any clearing system other than Euroclear or Clearstream may similarly be credited to the accounts of subscribers with Euroclear or Clearstream.

Exchange

Each Temporary Global Certificate issued in respect of Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “**Subscription and Sale**”), in whole, but not in part, for Definitive Materialised Notes; and
- (ii) otherwise, in whole but not in part, upon certification as to non-US beneficial ownership in the form set out in the Agency Agreement for Definitive Materialised Notes.

A Noteholder must exchange its share of the Temporary Global Certificate for Materialised Notes before interest or any amount payable in respect of the Notes will be paid.

Delivery of Definitive Materialised Notes

On or after its Exchange Date, the holder of the Temporary Global Certificate must surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for the Temporary Global Certificate so surrendered, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Notes.

In this Base Prospectus, “Definitive Materialised Notes” means, in relation to any Temporary Global Certificate, the Definitive Materialised Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Notes will be security printed in accordance with any applicable legal and stock exchange requirements in, or substantially in, the form set out in Schedule 2 Part A to the Agency Agreement.

Exchange Date

“**Exchange Date**” means, in relation to a Temporary Global Certificate, the day next succeeding the day that is 40 days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 13, the Exchange Date for such Temporary Global Certificate shall be postponed to the day falling after the expiry of 40 days after the issue of such further Materialised Notes.

USE OF PROCEEDS

The net proceeds of the issue of Notes will be used for the general business of Schneider Electric SE. If in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

DESCRIPTION OF SCHNEIDER ELECTRIC SE

The description of the Issuer set out in the 2017 Registration Document has been incorporated by reference into this Base Prospectus (see section "Documents Incorporated by Reference").

RECENT DEVELOPMENTS

Press release of 25 October 2018 on Schneider Electric third quarter revenues

“Strong growth in Q3 with revenues up +8% reported

- ***Group organic growth for Q3 of +7.2%***
- ***Both businesses contributing; Energy Management up +7.4% org., Industrial Automation up +6.6% org.***
- ***All regions growing- high performance in N. America and Asia-Pacific***
- ***Short-cycle industries continue good growth; mid- to long-cycle industries accelerating***
- ***Current c.€1bn buyback could be completed 6 months ahead of plan***
- ***Full year target revised upward***

Rueil-Malmaison (France), October 25, 2018 - Schneider Electric announced today its third quarter revenues of €6,377 million for the period ending September 30, 2018.

I. THIRD QUARTER REVENUES WERE UP +8.0% REPORTED

The breakdown of revenue by business segment was as follows:

€ million		Q3 2018		
		Revenues	Organic Growth	Reported Growth
Energy Management	<i>Medium Voltage</i>	1,053	8.3%	5.0%
	<i>Low Voltage</i>	2,876	7.4%	9.3%
	<i>Secure Power</i>	917	6.4%	4.8%
	Total	4,846	7.4%	7.5%
Industrial Automation	Total	1,531	6.6%	9.9%
Group		6,377	7.2%	8.0%

The breakdown of revenue by geography was as follows:

€ million	Q3 2018		
	Revenues	Organic growth	Reported growth
Western Europe	1,669	3%	6%
Asia-Pacific	1,865	11%	10%
North America	1,824	9%	15%
Rest of the World	1,019	5%	-2%
Group	6,377	7.2%	8.0%

Jean-Pascal Tricoire, Chairman and CEO, commented: “In Q3, the Group reports strong growth with revenues up +8%, c. +7% organic. Both our core businesses of Energy Management and Industrial Automation deliver, with customers combining technologies of our portfolio in efficiency solutions architected around EcoStruxure.

The growth in Q3 is partly attributed to the acceleration of business conducted with end-users in mid- to long-cycle industries, resulting in higher systems growth.

For the end of the year, the Group expects to benefit from its balanced exposure to end-markets and geographies, in the current macro-economic environment. We keep focusing our efforts on driving our strategy of selling more products, more services, more software; and further improving profitability on systems. We keep developing our strong value proposition to customers, bringing together our synergetic portfolio into EcoStruxure. We also continue to focus and invest on furthering our digital journey for long-term growth.”

GOOD DYNAMIC CONTINUES IN ENERGY MANAGEMENT UP +7.4% ORG.

Geographical trends for Energy Management:

North America: Energy Management posted a strong performance in Q3 in North America. The Group offers for Residential and Commercial and Industrial Buildings continued to perform well. In Data Center and IT markets, the Group continued to deliver several large projects in the region, incorporating the full suite of Energy Management technologies.

Western Europe: Residential markets continued to develop well in the region, further helped by recent launches in Residential and small buildings offers. Both Commercial and Industrial Buildings demand continued to be at a good level. The Data Center end-market generated strong growth for the Group’s entire portfolio. Most countries in the region grew, with strength in Italy, Spain and the U.K. France was impacted by some destocking in a positive environment for construction. Traditional utilities investments remained low, with both France and Germany impacted by a weak utility market.

Asia-Pacific: Energy Management was up strongly in Q3. China continued to perform well with double-digit growth, moderating from H1 2018 levels in line with expectations. India performed strongly across the Energy Management portfolio, particularly Low Voltage and Secure Power, leading to double-digit growth. In Australia, Energy Management benefitted from a good environment in Commercial and Industrial Buildings and strong project execution in Infrastructure. South East Asia performed well.

Rest of the World: Energy Management grew in the region. Africa grew well. Middle East was stable, with robust non-residential markets in Gulf countries offset in part by the withdrawal from Iran. South America showed continued strength in Residential, and Commercial & Industrial Buildings despite a challenging economic climate in some countries. CIS was about flat, with the business environment in Russia impacted by sanctions. The performance impact was compensated by project execution elsewhere in the region.

Performance of Energy Management technologies:

The Group delivered a strong performance in Energy Management leveraging its complete end-to-end offering (Medium Voltage, Low Voltage, Secure Power) addressing customer needs across end-markets. The performance by technologies was as follows:

Medium Voltage (17% of Q3 revenues) grew across all regions, up +8.3% organically, from a low base. Within Medium Voltage, transactional, services and grid automation grew at a faster pace than systems. Transactional product sales were up, as strong sales of the Group’s MV offer (combined with LV) continued in targeted end-markets, notably to data centers. Services were up double-digit, due to successful implementation of sales initiatives. Grid Automation offers continued to gain good traction with customers. The Group continues to implement its technology roadmap within the framework of EcoStruxure and upgrading product offers to maximize MV/LV convergence.

Low Voltage (45% of Q3 revenues) continued its strong performance in the quarter, up +7.4% organically (c.+7.6% including Delixi), with contribution from all regions. The Group’s Residential and small building offers continued to deliver strong growth across regions, with China and India up double-digit. The Group continued to see good success within its offer to Commercial and Industrial Building markets. The Data Center end market continued to thrive, driving good demand for low voltage systems, sold in conjunction with other elements of the Group’s Energy Management offer. Services grew strongly, with double-digit

growth in the Group's Energy & Sustainability offers, which help customers achieve their sustainability targets. The Group continues to work together with its partners to incorporate EcoStruxure offers to enhance the value proposition to customers. The Group also continues to develop connected offers that drive increased efficiency for partners in installation and commissioning.

Secure Power (14% of Q3 revenues) delivered an organic growth of +6.4% in the quarter. The business grew across its segments - Distributed Secure Power, Data Center, and Non-IT markets. Distributed Secure Power was positive, though still impacted by shortages. In Data Centers, the integrated offering of EcoStruxure for data center customers (comprising EcoStruxure Building, EcoStruxure Power, and EcoStruxure IT) provides a compelling value proposition for colocation companies and large data centers. Secure Power offers (including new UPS offer launches) in the Data Center end-market accelerated to double-digit levels. Secure Power generated pull through opportunities for the entire Group portfolio, resulting in the data center segment continuing to grow double-digit for the Group. Secure Power offers for non-IT end-markets grew, boosted by Edge computing (driven by the need for lower latency, greater security, and regulations), and new economies. Services were up mid-single digit for the quarter.

INDUSTRIAL AUTOMATION CONTINUED GROWTH IN Q3 UP +6.6% ORG.

Geographical trends for Industrial Automation:

North America was up mid-single digit with growth in the U.S., Canada and Mexico. Process Automation offers grew strongly, continuing to benefit from investments for efficiency, notably in Oil & Gas. The Group saw increased demand from hybrid segments, including continued order growth from Food & Beverage. In Discrete Automation, the Group continues to focus on OEM customers in growing targeted end-markets.

Western Europe: Industrial Automation continued to grow in the region, supported by successful actions on targeted OEM offers and some project activity in process end-markets in the region. The Group continued its strong momentum with its EcoStruxure offers in the region. Among the large industrial markets, Germany, Italy, and the U.K. contributed to growth.

Asia-Pacific delivered a strong performance in Q3, with double-digit growth in China, although moderating from the levels in H1 2018. India also grew strongly notably in targeted segments, such as packaging, and in Process Automation. Australia was up with good growth in OEM helped by commercial initiatives. The rest of Asia performed well, with good contribution from Indonesia, Malaysia and Singapore.

Rest of the World was up in South America, Africa, CIS and Central Europe. In Africa, South America, and CIS the Group saw good demand for its OEM offers, driving growth. In the Middle East, Gulf countries saw declines due to phasing of projects. Generally, process industries continue to demonstrate an increased level of customer engagement.

Performance of Industrial Automation:

Industrial Automation (24% of Q3 revenues) continued to grow across all regions, up +6.6% organic in Q3 on a high base. The business benefitted from its balanced portfolio, across Discrete, Process & Hybrid industries. In Discrete, the Group's targeted approach to OEMs continued to drive performance across geographies with EcoStruxure Machine gaining traction, with several customer wins, in the digitization of Machine builders and their customers. Process Automation saw increasing demand from investments in brownfield projects as well as efficiency driven investments.

AVEVA¹ delivered double-digit organic growth in Q3 on its Industrial Software portfolio. AVEVA benefitted from sales in conjunction with Schneider Electric's automation offers through a coordinated go-

¹ Included as scope movement in the Group results

to-market approach. This good performance highlights the good traction for its end-to-end digital solution from design and build to operation and maintenance for operators in hybrid and process end-markets.

Across the Group, Products were up **+5%** organically in Q3, Solutions grew **+9%** org., of which Services growth was **+11%** org.

CONSOLIDATION² AND FOREIGN EXCHANGE IMPACTS IN Q3

Net acquisitions had an impact of **+€190 million** or **+3.2%** of Group revenues in Q3. This includes mainly the consolidation of AVEVA (Industrial Automation), IGE-XAO (Low Voltage), ASCO Power (Low Voltage) and some minor acquisitions / disposals.

The impact of foreign exchange fluctuations was negative at **-€127 million** or **-2.4%** of Group revenues in Q3, primarily due to the weakening of several new economies' currencies against the Euro.

Based on current rates, the FX impact on FY 2018 revenues is estimated to be around -€1.1bn. The FX impact at current rates on FY 2018 adjusted EBITA margin is expected to be c.-20bps.

II. SCHNEIDER SUSTAINABILITY IMPACT

The Schneider Sustainability Impact 2018-2020 is the Group's transformation plan and steering tool measuring progress towards its ambitious sustainability commitments. Details can be found at: <https://www.schneider-electric.com/en/about-us/sustainability/sustainable-performance/barometer.jsp>

In Q3, the Schneider Sustainability Impact reaches a score of 5.25 out of 10, as the Group continues to execute its three-year sustainability plan.

III. SHARE BUYBACK

The Group has repurchased 5.7 million shares for a total amount of c. €390 million in the third quarter. From mid-2017, the Group has bought back c. €730m of the about €1bn buyback to be completed by mid-2019.

Based on the current financial market evolution, the group may elect to accelerate its buyback program to be completed within 2018.

As at 30 September 2018 the total number of shares outstanding was 553,583,282 (the total number of shares in issue was 579,016,919).

IV. GOVERNANCE

The Board of Directors, at its meeting of October 24, 2018, decided, upon recommendation of its Governance and remunerations committee, to appoint Mr. Lip-Bu Tan as a non-voting director effective immediately.

This appointment is in line with the objective of the Board to strengthen its composition with digital/tech profiles and having a good knowledge of the global business environment.

Mr. Lip-Bu Tan, 58 years old, a U.S. citizen, is currently CEO and board member of Cadence Design Systems. He also serves as chairman of Walden International, a venture capital firm he founded in 1987. Prior to founding Walden, he was Vice President at Chappell & Co. and held management positions at EDS Nuclear and ECHO Energy. Mr. Tan will bring to the Board his IT/software and technology expertise, notably in the field of energy, his venture capital & investment experience and his deep knowledge of Asia and U.S. markets.

The appointment of Mr. Lip-Bu Tan as an independent director will be proposed at the 2019 Annual Shareholders' Meeting.

² Changes in scope of consolidation also include some minor reclassifications of offers among different businesses

V. 2018 TARGET REVISED UPWARD

Based on the strong sales performance of Q3, and expectation of continuing growth in Q4, while facing a high base of comparison, the Group revises upward its objective for 2018.

In the current environment, the Group expects its key market dynamics to remain positive in Q4 and following months. In North America, the Group anticipates a continuing favorable environment. China faces a high base of comparison but remains a growth market with dynamism in many end-markets including construction, infrastructure and parts of industry. Other large countries within Asia Pacific continue good momentum. The Group expects Western Europe to grow at a moderate pace and Rest of World economies to benefit from improved energy pricing.

For 2018, the Group now targets an organic growth of the adj. EBITA between +8% and +9% (previously between +7% and +9%).

This would be generated by a combination of top line growth and margin expansion. The Group targets:

- Organic sales growth for 2018 at close to +6% (previously between +5% to +6%)
- +30 to +50 bps organic improvement of the adj. EBITA margin, taking into account investments needed to drive long term top line growth as well as some increase in costs such as currently anticipated tariff impacts.

Further notes on 2018 available in appendix

The 2018 Q3 revenues presentation is available at <https://www.schneider-electric.com/en/about-us/investor-relations/financial-results.jsp>

2018 Full Year Results will be presented on February 14, 2019

Disclaimer: All forward-looking statements are Schneider Electric management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. For a detailed description of these factors and uncertainties, please refer to the section "Risk Factors" in our Annual Registration Document (which is available on www.schneider-electric.com). Schneider Electric undertakes no obligation to publicly update or revise any of these forward-looking statements.

About Schneider Electric: Schneider Electric is leading the Digital Transformation of Energy Management and Automation in Homes, Buildings, Data Centers, Infrastructure and Industries. With global presence in over 100 countries, Schneider is the undisputable leader in Power Management – Medium Voltage, Low Voltage and Secure Power, and in Automation Systems. We provide integrated efficiency solutions, combining energy, automation and software. In our global Ecosystem, we collaborate with the largest Partner, Integrator and Developer Community on our Open Platform to deliver real-time control and operational efficiency. We believe that great people and partners make Schneider a great company and that our commitment to Innovation, Diversity and Sustainability ensures that **Life Is On** everywhere, for everyone and at every moment."

TAXATION

The statements herein regarding taxation in France, Luxembourg and Hong-Kong are based on the laws and interpretation thereof in force in the Republic of France, in the Grand Duchy of Luxembourg and in the Special Administrative Region of Hong-Kong as of the date of this Base Prospectus and are subject to any changes in law which may take effect after such date, possibly with a retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective Noteholders should consult its tax advisor as to the French, Luxembourg and Hong-Kong tax consequences of any investment in or the ownership and disposition of the Notes.

LUXEMBOURG WITHHOLDING TAX

Under Luxembourg tax laws currently in effect and subject to the exception below, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) or repayments of principal on the Notes.

In accordance with the law of 23 December 2005, as amended on the introduction of a withholding tax on certain interest payments on savings income, interest payments made by Luxembourg paying agents to Luxembourg residents individual beneficial owners are subject to a 20 per cent. withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

FRENCH TAXATION

The following is a description, based on the laws of France as of the date of this Base Prospectus (and therefore subject to any changes in law, possibly with a retroactive effect), limited to certain tax considerations in France relating to the Notes that may be issued under the Programme to any holder of Notes who does not concurrently hold shares of the Issuer. Prospective holders or beneficial owners of Notes should consult their tax advisors as to the tax consequences of any investment in or ownership and disposition of the Notes.

Withholding Tax

Notes issued as from 1 March 2010

Pursuant to the French *Code général des impôts*, payments of interest and other revenues made by the Issuer with respect to notes issued on or after 1 March 2010 (other than Notes (described below) which are assimilated (*assimilables* for the purpose of French law) and form a single series with Notes issued prior to 1 March 2010 benefitting from the exemption from withholding tax of Article 131 *quater* of the French *Code général des impôts*) will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a “**Non-Cooperative State**”). If such payments under the Notes are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*. The list of Non-Cooperative States is published by a ministerial executive order and is updated on a yearly basis. A draft law published by the French government on 28 March 2018 and adopted in October 2018 by the French Parliament expands the list of Non-Cooperative States as defined under Article 238-0 A of the French *Code général des impôts* to include States and jurisdictions on the blacklist published by the Council of the European Union and as a consequence, expands this withholding tax regime to certain States and jurisdictions included in the blacklist.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution established in such a Non-Cooperative State. The abovementioned law expands this regime to the States and jurisdictions included in the blacklist published by the Council of the European Union.

Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of (i) 12.8% or 75% for payments benefiting individuals who are not French tax residents, (ii) 30% (to be aligned on the standard corporate income tax rate set forth in Article 219-I of the French *Code général des impôts* for fiscal years beginning as from 1 January 2020) or 75% for payments benefiting legal persons which are not French tax residents (subject to certain exceptions and the more favourable provisions of any applicable double tax treaty).

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor, to the extent the relevant interest or other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the non-deductibility of interest and other revenues set out under Article 238 A of the French *Code général des impôts*, and therefore the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* that may be levied as a result of such non-deductibility, will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such a particular issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the “**Exception**”). Pursuant to French tax administrative guidelines (BOI-INT-DG-20-50-20140211, no. 550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211, no. 70 and 80 and BOI-IR-DOMIC-10-20-20-60-20150320, no. 10), an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the principal purpose and effect of such issue of Notes, if such Notes are:

- offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an “**equivalent offer**” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- admitted, at the time of their issue, to the operations of a central depository or of a securities payment and delivery systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Notes issued before 1 March 2010 and Notes which are assimilated to (*assimilables* for the purpose of French law) Notes issued before 1 March 2010

Payments of interest and other revenues made by the Issuer with respect to (i) Notes issued (or deemed issued) outside France as provided under Article 131 *quater* of the French *Code général des impôts*, before 1 March 2010 and whose term has not been extended as from such date and (ii) Notes issued on or after 1 March 2010 which are assimilated (*assimilables* for the purpose of the French law), and form a single series with, such Notes referred to under (i) above, will continue to be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

Notes issued before 1 March 2010, whether denominated in Euro or in any other currency, and constituting *obligations* under French law, or *titres de créances négociables* or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France for the purpose of Article 131 *quater* of the French *Code général des impôts*, in accordance with the French administrative guidelines BOI-RPPM-RCM-30-10-30-30-20140211, no.40 to 90.

In addition, interest and other revenues paid by the Issuer on Notes issued before 1 March 2010 (or Notes issued on or after 1 March 2010 and which are to be assimilated (*assimilables* for the purpose of the French law) and form a single series with such Notes) will be subject neither to the non-deductibility set out under Article 238 A of the French *Code général des impôts* nor to the withholding tax set out in Article 119 *bis* 2 of the French *Code général des impôts* solely on account of their being accrued or paid to persons established or domiciled in a Non-Cooperative State or paid to a bank account opened in a financial institution established in a Non-Cooperative State.

Payments made to individuals tax resident (*domiciliés fiscalement*) in France

Where the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A of the French *Code général des impôts*, subject to certain limited exceptions, interest and other similar revenues received by French tax resident individuals are subject to a 12.8 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 17.2 per cent. on such interest and other similar revenues paid to French tax resident individuals.

See “Terms and Conditions of the Notes — Taxation”.

HONG KONG

The following is a summary of certain Hong Kong tax considerations relating to the purchase, ownership and disposition of the Notes by a beneficial owner of the Notes. This summary is based on the tax laws and regulations of Hong Kong as currently in effect and which is subject to change or to different interpretation. This summary is for general information only and does not address all of the Hong Kong tax considerations that may be relevant to specific holders in light of their particular circumstances.

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (a) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (b) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or

- (c) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “**IRO**”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong.
- (d) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a corporation, who carries on of a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Notes will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal, or other redemption of Notes will be subject to Hong Kong profits tax.

Stamp Duty

Stamp duty will not be payable on the issue of bearer Notes provided that either:

- (a) such bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (b) such bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (the “**Stamp Duty Ordinance**”)).

If stamp duty is payable it is payable by the Issuer on the issue of bearer Notes at a rate of 3 per cent. of the market value of the Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of bearer Notes.

No stamp duty is payable on the issue of registered Notes. Stamp duty may be payable on any transfer of registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of registered Notes provided that either:

- (a) the registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (b) the registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance).

If stamp duty is payable in respect of the transfer of registered Notes it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the registered Notes if the relevant transfer is required to be registered in Hong Kong.

FORM OF GUARANTEE

The following is the form of Guarantee that Schneider Electric SE is expected to issue in connection with the substitution of Issuer provided under Condition 15 of the Terms and Conditions of the Notes:

The undersigned Schneider Electric SE, a French limited liability European company (a *société européenne*) with a share capital of Euro [●] whose head-office is located at [35, rue Joseph Monier, 92500 Rueil Malmaison, France], represented by [●], duly authorised to deliver this first demand and independent guarantee (*garantie autonome à première demande*) (the “**Guarantee**”) by [●] hereinafter referred to as the “**Guarantor**” or “**Schneider Electric SE**”, [and]

[[*Name of the Representative of the Masse*], acting as representative acting in its name and in the name and on behalf of the *Masse* for the benefit of the Noteholders (as defined below) in accordance with the provisions of Article L.228-47 *et seq.* of the French Code de commerce (the “**Representative**”).]

Schneider Electric SE [and the Representative] hereby refer[s] to:

- (a) the following [*brief description of the relevant Series of Notes*] (ISIN: [FR●]) (the “**Notes**”), which have been issued by Schneider Electric SE on [●] under its Euro Medium Term Notes Programme in the aggregate nominal amount of notes outstanding not exceeding at any time €[[●]/7,500,000,000] (or the equivalent in any other currencies) (the “**Programme**”);
- (b) the terms and conditions (the “**Terms and Conditions**”) of the Notes and in particular Condition 15 of such Terms and Conditions;
- (c) the amended and restated agency agreement dated [●] November 2018 entered into between Schneider Electric SE as Issuer and [BNP Paribas Securities Services] as fiscal agent and the other agents named in it, as amended from time to time (the “**Agency Agreement**”);
- (d) the amended and restated dealer agreement dated [●] November 2018 entered into between Schneider Electric SE as Issuer and the Permanent Dealers and the Arranger, as amended from time to time (the “**Dealer Agreement**” and together with the Agency Agreement, the “**Agreements**”);
- (e) the transfer by Schneider Electric SE to [●], a company incorporated under the laws of [●], which as of the transfer date is a subsidiary of Schneider Electric SE and whose head-office is located at [●] (the “**Substituted Issuer**”) of all (but not some only) of the rights, obligations and liabilities of Schneider Electric SE under the Notes (including any further notes issued in accordance with Condition 13) and Coupons, as of [*date of transfer*] in accordance with Condition 15 of the Terms and Conditions.

The Guarantor hereby declares being fully aware of all the Terms and Conditions of the Notes, the Agreements and the Programme.

Terms of the Guarantee

The Guarantor hereby irrevocably and unconditionally undertakes [in favour of the Representative (acting for the benefit of the Noteholders),] to pay to the holders of the Notes (the “**Noteholders**”), upon first demand, any sums which [any Noteholder/ the Representative] may claim from time to time under this Guarantee, subject to the terms and conditions set forth therein.

Any claim under the Guarantee shall be made by issuance of a written demand by the [Noteholders/ Representative] upon the Guarantor substantially in the form attached as Appendix 1 (*Form of Demand Certificate*) to this Guarantee (a “**Demand Certificate**”).

Several Demand Certificates may be issued under this Guarantee provided that the maximum aggregate amount which may be claimed under this Guarantee is Euro [●] (or the equivalent therefore in any other currency) (such amount could be increased in the case of issue of further notes in accordance with Condition 13 of the Terms and Conditions of the Notes and the Guarantor [and the Representative] shall

sign an amendment to such Guarantee in this respect). This Guarantee is granted in accordance with Article 2321 of the French *Code civil*, is independent (*autonome*) and constitutes an autonomous obligation of the Guarantor towards the Noteholders. Accordingly, the Guarantor may not invoke any defence that the Substituted Issuer could assert against the Noteholders [or the Representative], nor rely on any exceptions arising out of the relationship between the Noteholders [or the Representative] and the Substituted Issuer, in each case for the purpose of deferring or releasing itself from the performance of its obligations under the Guarantee.

The Guarantor shall pay to the Noteholders the amounts claimed in the Demand Certificate within five (5) business days in [Paris] (a “**Business Day**”). Any payment which is due to be made on that day that is not a Business Day shall be made on the next Business Day. If the Guarantor fails to pay any amount under this Guarantee on such due date, interest shall accrue on such amount from the date up to, and including, the date of actual payment (both before and after judgment) at a rate which is the sum of a margin of [1/2] per cent. and a rate equal to [ESTER/other]

The Guarantee shall remain valid even in the case where the Guarantor would no longer hold the original level of its participation in the share capital and/or the voting rights of the Substituted Issuer. In addition, it is hereby expressly agreed that any modification in the legal situation of the Guarantor, whatsoever, shall not release the Guarantor from its obligations under the present Guarantee, especially in case of merger, the absorbing entity or the new entity shall endorse the present undertakings with regard to the merger agreement and in case of split, the beneficiaries of the contributions resulting of such split shall endorse jointly and severally the Guarantor’s undertakings.

For so long as any amount remains payable in respect of the Notes, the Guarantor will not exercise any right of subrogation against the Substituted Issuer pursuant to this Guarantee or take any other action that would result in asserting claims of the Guarantor at the same time as claims of the Noteholders, except in case of insolvency proceedings of the Substituted Issuer where the Guarantor may file a proof of claims within the Substituted Issuer’s insolvency proceedings for any indebtedness owed to it pursuant to this Guarantee provided that it shall procure that any remaining payment be made to the Noteholders to the extent necessary to repay in full any amount remaining due by the Substituted Issuer to the Noteholders under the Notes.

If French law should require that any payments under the Guarantee be subject to deduction or withholding in respect of any taxes or duties whatsoever, the Guarantor will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any payment under the Guarantee .

Ranking of the Guarantee

The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and (subject to the undertaking of the Guarantor below (*Negative Pledge*)) unsecured obligations of the Guarantor and shall rank at all times *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law), equally and rateably with all other present or future unsecured and unsubordinated obligations of the Guarantor.

Negative Pledge

The Guarantor will not, and will ensure, for the duration of the Guarantee, that none of the Principal Subsidiaries (as defined below) will, create or permit to subsist any mortgage, lien, charge, pledge or other form of security interest (*sûreté réelle*) (“**Security**”) upon any of their respective assets or revenues, present or future, to secure (i) any Relevant Debt (as defined below) or (ii) any guarantee or indemnity in respect of any Relevant Debt, except the Guarantee, unless, at the same time or prior thereto, the Guarantor’s obligations under the Guarantee are equally and rateably secured therewith.

Where:

“Principal Subsidiaries” means at any relevant time a Subsidiary of the Guarantor:

- (a) whose net operating income is at least 10 per cent. of the consolidated net operating income of the Guarantor and its consolidated subsidiaries (the **“Consolidated Group”**) or whose total assets amount to at least 10 per cent. of the total consolidated assets of the Consolidated Group, in each case calculated by reference to the latest audited consolidated accounts of the Guarantor;
- (b) to which is transferred all or substantially all the assets and undertakings of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary.

“Relevant Debt” means any present or future indebtedness for borrowed money in the form of, or represented by, bonds (*obligations*) issued by the Guarantor which are for the time being, or are capable of being, quoted, admitted to trading or ordinarily dealt in on any stock exchange, over-the-counter market or other securities market.

“Subsidiary” means in relation to any person or entity at any time, any other person or entity (whether or not now existing) as defined in Article L.233-1 of the French *Code de commerce* or any other person or entity controlling directly or indirectly such person or entity within the meaning of Article L.233-3 of the French *Code de commerce*.

Representation of the Guarantor

The Guarantor hereby represents and warrants to the Noteholders that:

- (i) it is incorporated and validly existing under the laws of [France] and has the power to execute the present Guarantee and to perform the obligations expressed in it;
- (ii) all corporate actions to authorise the execution and the performance of the obligations of the present Guarantee have been duly taken;
- (iii) the execution of this undertaking and the exercise of its obligations under the present Guarantee will not conflict with (i) any constitutive document or any rule of the Guarantor; (ii) any material agreement or undertaking to which the Guarantor is a party; and (iii) any applicable law, regulation or judicial order;
- (iv) the obligations expressed to be assumed by the Guarantor under the present Guarantee are legal, valid, binding and enforceable obligations in accordance with the terms hereof; and
- (v) no authorisation, notification or specific procedure whatsoever is required from any public authority whatsoever for the execution of this Guarantee or the performance of Guarantor’s obligations hereunder, or the exercise by the Noteholders or the Representative of their rights hereunder.

Duration

This Guarantee shall enter into force from the date of its signature and shall remain fully valid until there are no more outstanding Notes.

Survival of the Guarantee

By derogation to paragraph 4 of Article 2321 of the French *Code civil*, this Guarantee shall inure to the benefit of the Noteholders and to any person to whom it assigns or transfers any of its rights and/or obligations under the Notes without any notice or carrying any formality.

The Guarantor hereby consents to any such assignment or transfer and agrees that it shall be bound hereunder vis-à-vis such assignee or transferee.

All terms not otherwise defined in the present Guarantee shall have the meaning assigned to them in the Terms and Conditions of the Notes.

Governing law and jurisdiction

This Guarantee shall be governed by French law. Any dispute arising out of or in connection with, without limitation, its validity, interpretation, or Performance, shall be subject to the exclusive jurisdiction of any competent court located in Paris.

Executed in [●], on [●].

For the Guarantor, [●].

[For the Representative, [●].]

**APPENDIX 1
FORM OF DEMAND CERTIFICATE**

To: Schneider Electric SE
35, rue Joseph Monier
92500 Rueil-Malmaison
France (the “**Guarantor**”)

Cc: Fiscal Agent

[Cc: Representative of the *Masse*]

[Date]

Ladies and Gentlemen,

1. We refer to the first demand and independent guarantee (*garantie autonome à première demande*) granted by you, as Guarantor, on [*date of the Guarantee*], to the benefit of the Noteholders (the “**Guarantee**”).
2. All terms and expressions defined in the Guarantee shall have the same meaning herein.
3. Pursuant to terms of the Guarantee, we hereby request that you forthwith pay to the Noteholders: [*insert currency and amount*].
4. We hereby certify that:
 - (i) an amount at least equal to the amount claimed in this Demand Certificate is due and payable under the Terms and Conditions of the Notes; and
 - (ii) such amount has not been paid by the Substituted Issuer on its due date and on the date of this Demand Certificate.
5. Pursuant to the terms of the Guarantee, the above amount must be paid by you within [five (5)] Business days into account [*insert account details*] at [*insert bank details at which account is held*] [*insert any other details relevant for payment*].

Yours faithfully,

[]

By: [●]

Title: [●]

SUBSCRIPTION AND SALE

OVERVIEW OF DEALER AGREEMENT

Subject to the terms and on the conditions contained in an Amended and Restated Dealer Agreement dated 26 November 2018 (the “**Dealer Agreement**”) between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by such Dealer.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

SELLING RESTRICTIONS

United States

The Notes have not been and will not be registered under the Securities Act or with any securities commission or any regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings ascribed to them by Regulation S under the Securities Act (“**Regulation S**”).

Materialised Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and the regulations thereunder.

Each Dealer has agreed and that, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Materialised Notes in bearer form, deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche, as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period (as defined in Regulation S) a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act and the laws of certain states and jurisdictions of the United States if such offer or sale is made otherwise than in accordance with an exemption from such registration requirements.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect to any Notes specify the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“**MiFID II**”); or
- (ii) a customer within the meaning of Directive 2002/92/EC, as amended (the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

This EEA selling restriction is in addition to any other selling restrictions set out below.

United Kingdom

Each Dealer has represented and agreed that:

- (i) **Investment advertisements:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended (the “**FSMA**”)) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer;
- (ii) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom; and
- (iii) **Accepting Deposits in the United Kingdom:** in relation to any Notes having a maturity of less than one year from the date of their issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of any Notes would otherwise constitute a contravention of section 19 of FSMA by the Issuer.

France

Each of the Dealers has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour le compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended (the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Dealers has represented and agreed, and each of further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and shall not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws, ministerial guidelines and regulations of Japan.

Hong Kong

This Base Prospectus and the applicable Final Terms have not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a “structured product” within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to professional investors as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a prospectus, as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

People’s Republic of China (PRC)

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, the offer of the Notes is not an offer of securities within the meaning of the securities laws of the PRC or other pertinent laws and regulations of the PRC and the Notes have not been offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an

institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore (“SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit an offer to the public of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus, the Final Terms or any other offering material, in all cases at its own expense and neither the Issuer nor any other Dealer shall have responsibility therefor.

Each of the Dealers and the Issuer has represented and agreed and will be required to represent and agree that Materialised Notes may only be issued outside of France

FORM OF FINAL TERMS

PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF SECURITIES WITH A DENOMINATION OF AT LEAST €100,000 TO BE ADMITTED TO TRADING ON AN EU REGULATED MARKET

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“**MiFID II**”); or (ii) a customer within the meaning of Directive 2002/92/EC, as amended (“**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]³

[⁴MIFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of [the/each] manufacturer[’s/s’] product approval process, the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority (ESMA) on 5 February 2018, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU, as amended (“**MiFID II**”)] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market⁵*] Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[SINGAPORE SFA PRODUCT CLASSIFICATION – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”) and the Securities and Futures Act (Capital Market Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]⁶

³ Delete legend if the offer of the Notes do not constitute “packaged” products, in which case, insert “Not Applicable” in paragraph 7(viii) of Part B below. Include legend if the offer of the Notes may constitute “packaged” products and the Issuer intends to prohibit the Notes being offered, sold or otherwise made available to EEA retail investors. In this case insert “Applicable” in paragraph 7(viii) of Part B below.

⁴ Legend to be included on front of the Final Terms if following the ICMA 1 “all bands to all professionals” target market approach.

⁵ ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: “The target market assessment indicates that Notes are incompatible with the needs, characteristic and objectives of clients which are fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested.”

⁶ For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

SCHNEIDER ELECTRIC SE

Issue of [Aggregate Nominal Amount of Tranche][Title of notes] under the Euro 7,500,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 26 November 2018 which received visa n°18-535 from the *Autorité des marchés financiers* (the “AMF”) on 26 November 2018 [and the supplement[s] to the Base Prospectus dated [●] which received visa n° [●] from the AMF on [●] (the “Supplement[s]”) [which [together] constitute[s] a Base Prospectus for the purposes of the Directive 2003/71/EC, as amended (the “Prospectus Directive”).

This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. [The Base Prospectus [and the Supplement(s) [is] [are] available for viewing at the office of the Fiscal Agent or each of the paying agents and on the [website of the Issuer (www.schneider-electric.com), and on the website of the AMF (www.amf-france.org) and copies may be obtained from Schneider Electric SE, 35, rue Joseph Monier - 92500 Rueil-Malmaison, France.]]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”), which are the [●] EMTN Conditions which are incorporated by reference in to the Base Prospectus dated 26 November 2018. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Directive 2003/71/EC as amended (the “Prospectus Directive”) and must be read in conjunction with the Base Prospectus dated 26 November 2018 which received visa n°18-535 from the *Autorité des marchés financiers* (the “AMF”) on 26 November 2018 [and the supplement(s) to the Base Prospectus dated [●] which received visa n°[●] from the AMF on [●] (the “Supplement[s]”), which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Directive, including the [●] EMTN Conditions which are incorporated by reference in the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the [●] EMTN Conditions and the Base Prospectus dated 26 November 2018 and the Supplement(s). The Base Prospectuses [and the supplement(s) to the Base Prospectus] are available for viewing at the office of the Fiscal Agent or each of the paying agents and on the website of the Issuer (www.schneider-electric.com) and on the website of the AMF (www.amf-france.org), and copies may be obtained from Schneider Electric SE, 35, rue Joseph Monier - 92500 Rueil-Malmaison, France.]

[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

1	[(i)]	Issuer:	Schneider Electric SE
2	[(i)]	Series Number:	[●]
	[(ii)]	Tranche Number:	[●]
	[(iii)]	Date on which the Notes become fungible:	[Not Applicable / The Notes will be assimilated (<i>assimilées</i>) and form a single series with the existing [<i>insert description</i>]

of the Series] issued by the Issuer on [insert date] (the “Existing Notes”) [as from the Issue Date of this Tranche] [as from the date of assimilation which is expected to be on or about 40 days after the Issue Date (the “Assimilation Date”) of this Tranche]

- 3 Specified Currency or Currencies: [●]
- 4 Aggregate Nominal Amount of Notes admitted to trading: [●]
- [(i)] Series: [●]
- [(ii)] Tranche: [●]
- 5 Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
- 6 Specified Denominations: [●]
- 7 [(i)] Issue Date: [●]
- [(ii)] Interest Commencement Date: [Specify / Issue Date / Not Applicable]
- 8 Maturity Date: [●] [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
- 9 Interest Basis: [[●] per cent Fixed Rate]
[[Specify reference rate] +/- [●] per cent Floating Rate]
[Zero Coupon]
(Further particulars specified below)
- 10 Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount.
- 11 Change of Interest Basis: Applicable (for Fixed/Floating Rate Notes) / Not Applicable
[Specify the date when any fixed to floating rate or floating to fixed rate change occurs or refer to paragraphs 14 and 15 below and identify there]
- 12 Put/Call Options: [Investor Put]
[Issuer Call]
[Make-Whole Redemption by the Issuer]
[Residual Maturity Call Option]
[Clean-Up Call Option]
[Change of Control Put]
[(Further particulars specified below)]
- 13 [(i)] Status of the Notes: Senior
- [(ii)] [Date of the corporate authorisations for issuance of Notes obtained: [●] [and [●], respectively]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14 Fixed Rate Note Provisions

[In respect of Fixed/Floating Rate Notes: from (and including) [●] to (but excluding) [●]:] [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear] on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [the Business Day Convention specified below⁷] [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]
- (iii) Fixed Coupon Amount[(s)]⁸: [●] per [●] in Nominal Amount
- (iv) Broken Amount(s): [Not Applicable] [●] payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [30/360 / Actual/Actual - ISDA / Actual/Actual ICMA / Actual/365 (Fixed) / Actual/360 / 30E/360 / 30E/360 (ISDA)]
- (vi) Determination Dates: [●] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)
- (vii) [Business Day Convention⁹: [Modified Following Business Day Convention/[Not Applicable]]
- (viii) Party responsible for calculating Interest Amounts (if not the Calculation Agent)¹⁰: [●] / [Not Applicable]]
- (ix) [Relevant Time¹¹: [11.00 a.m./[●]] ([Hong Kong/[●]] time)]

15 Floating Rate Note Provisions

[In respect to Fixed/Floating Rate Notes: from (and including) [●] to (but excluding) [●]:] [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(In the event where the benchmark used to calculate the interest payable is discontinued, Condition 5(b)(iii)(C) provides for a methodology to determine the successor or alternative rates)

- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [[●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (iii) below]

⁷ RMB Notes only

⁸ Not applicable for RMB Notes

⁹ RMB Notes only

¹⁰ RMB Notes only

¹¹ RMB Notes only

- (iii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (iv) Business Centre(s): [●]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vi) Interest Period Date(s): [Not Applicable/*specify dates*]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [●]
- (viii) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [●]
 - Relevant Inter-Bank Market: [●]
 - Reference Screen Page Time: [●]
 - Interest Determination Date: [●]
 - Relevant Screen Page: [●]
 - Reference Banks: [●]
- (ix) ISDA Determination:
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
- (x) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (xi) Margin(s)¹²: [+/-][●] per cent. per annum
- (xii) Minimum Rate of Interest¹³: [●] per cent. per annum
- (xiii) Maximum Rate of Interest: [●] per cent. per annum
- (xiv) Day Count Fraction: [30/360 / Actual/Actual - ISDA / Actual/Actual ICMA / Actual/365 (Fixed) / Actual/360 / 30E/360 / 30E/360 (ISDA)]
- (xv) Rate Multiplier: [●]

16 Zero Coupon Note Provisions

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Amortisation Yield: [●] per cent. per annum
- (ii) Day Count Fraction: [30/360 / Actual/Actual - ISDA / Actual/Actual ICMA / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]

¹² In no event shall the amount of interest payable be less than zero.

¹³ In no event shall the amount of interest payable be less than zero.

PROVISIONS RELATING TO REDEMPTION

- 17 **Make-Whole Redemption by the Issuer (Condition 6(d))** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Notice period: [Not Applicable/ [●]]
 - (ii) Reference Security: [●]
 - (iii) Reference Dealers: [●]
 - (iv) Similar Security: [Not Applicable/ [Reference bond or reference bonds issued by the [German Federal Government/ Republic of France/ [●]] having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes] / [●]]
 - (v) Party, if any, responsible for calculating the principal and/or interest due (if not the Calculation Agent): [Not Applicable/ [●]]
 - (vi) Redemption Margin: [●]
- 18 **Call Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
 - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] Specified Denomination
 - (iii) If redeemable in part:
 - Minimum nominal amount to be redeemed: [●]
 - Maximum nominal amount to be redeemed: [●]
 - (iv) Option Exercise Date(s): [●]
 - (v) Notice period: [●]
- 19 **Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
 - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] Specified Denomination
 - (iii) Option Exercise Date(s): [●]
 - (iv) Notice period: [●]

20	Residual Maturity Call Option	[Applicable/ Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Residual Maturity Call Option Date:	[●]
21	Change of Control Put Option	[Applicable/ Not Applicable]
22	Clean-Up Call Option	[Applicable/ Not Applicable]
	(i) Clean-Up Percentage:	[80 per cent. / [●] per cent.]
	(i) Early Redemption Amount:	[[●] per Note of [●] Specified Denomination]
23	Final Redemption Amount of each Note	[[●] per Note of [●] Specified Denomination]
24	Early Redemption Amount	
	(i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[Not Applicable/[●]]
	(ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates:	[Yes/No]
	(iii) Unmatured Coupons to become void upon early redemption (Bearer Notes only):	[Yes/No/Not Applicable]
GENERAL PROVISIONS APPLICABLE TO THE NOTES		
25	Form of Notes:	[Dematerialised Notes/ Materialised Notes] <i>(Materialised Notes are only in bearer form)</i> <i>(delete as appropriate)</i>
	(i) Form of Dematerialises Notes:	[Not Applicable/ Bearer dematerialised form (<i>au porteur</i>) only/ Registered dematerialised form (<i>au nominatif</i>)]
	(ii) Registration Agent:	[Not Applicable/ <i>if Applicable give name and details</i>] <i>(Note that a Registration Agent must be appointed in relation to Registered Dematerialised Notes only)</i>
	(iii) Temporary Global Certificate:	[Not Applicable/ Temporary Global Certificate exchangeable for Definitive Materialised Bearer Notes on [●] (the “ Exchange Date ”) being 40 days after the Issue Date subject to postponement as provided in the Temporary Global Certificate]
	(iv) Applicable TEFRA exemption:	[C Rules/D Rules/Not Applicable]
26	Exclusion of the possibility to request identification of the Noteholders as provided by Condition 1(a)(i):	[Applicable/Not Applicable]
27	Financial Centre(s) or other special provisions relating to Payment Dates:	[Not Applicable/ <i>give details.</i>]

Note that this item relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest to which item 15 (iv) relates]

- 28 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
- 29 Possibility of resale of purchased Notes¹⁴: [Yes/No]
- 30 Redenomination provisions: [Not Applicable/The provisions [in Condition [●]] apply]
- 31 Consolidation provisions: [Not Applicable/The provisions [in Condition [●]] apply]
- 32 *Masse*: Name and address of the Representative: [●]
Name and address of the alternate Representative: [●]
[The Representative will receive no remuneration/The Representative will receive a remuneration of [●]]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Euro 7,500,000,000 Euro Medium Term Note Programme of Schneider Electric SE.]

¹⁴ In accordance with applicable French laws and regulations

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made for the Notes to be admitted to trading on [Euronext Paris] [the Official List of the Luxembourg Stock Exchange] with effect from [●].] [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: [●]

RATINGS

Ratings:

The Notes to be issued have been rated:

[[●]: [●]]

[[Each of] [●] [and [●]] is established in the European Union and is registered under Regulation (EC) No 1060/2009 on credit ratings agencies (the “**CRA Regulation**”), as amended by Regulation (EU) No 513/2011 [[Each of [●] [and/,] [●] [and/,] [●] is included in the list of credit rating agencies published by the European Security and Markets Authority on its website (www.esma.europa.eu/supervision/credit-rating-agencies/risk).]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

NOTIFICATION

The [Autorité des marchés financiers in France] [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

REASONS FOR THE ISSUE

Reasons for the offer: [●]

INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Need to include a description of any interest, including conflicting ones, that is material to the issue, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save as discussed in [“Subscription and Sale”], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue.”]

[The [Managers/Dealers] and their affiliates have engaged and may in the future engage in investment banking and/or commercial banking transactions with, and may perform other activities for, the Issuer and its affiliates in the ordinary course of business.]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

Fixed Rate Notes only – YIELD

Indication of yield: [●]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7 [Floating Rate Notes only - HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/CMS Rate/other] rates can be obtained from [Reuters].

[Amounts payable under the Notes will be calculated by reference to [LIBOR/EURIBOR/[•]] which is provided by [•]. [As at [•], [•] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “**Benchmark Regulation**”).] [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [•] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]]

DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers. Where not all of the issue is underwritten, include a statement of the portion not covered.)
- (iii) Date of [Subscription] Agreement: [•]
- (iv) Stabilising Manager(s) (if any): [Not Applicable/give name]
- (v) If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
- (vi) Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
- (vii) The aggregate principal amount of Notes issued has been translated into [Euro] at the rate of [•], producing a sum of (for Notes not denominated in [Euro]): [Not Applicable/[Euro][•]]
- (viii) Prohibition of Sales to EEA Retail Investors: [Not Applicable/Applicable]
(If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified and the legend entitled “Prohibition of Sales to EEA Retail Investors” on the cover page of the Final Terms should be included. For the purpose

of the above, a “packaged” product shall designate a “packaged retail investment product” which means in accordance with Regulation (EU) No 1286/2014 of 26 November 2014 an investment, where, regardless of the legal form of the investment, the amount repayable to the retail investor is subject to fluctuations because of exposure to reference values or to the performance of one or more assets which are not directly purchased by the retail investor.)

(ix) Non-exempt offer:

[Not Applicable] [An offer of the Notes may be made by the Managers [and [specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported] (“**Public Offer Jurisdiction(s)**”) during the period from [specify date] until [specify date] (“Offer Period”).

OPERATIONAL INFORMATION

ISIN: [●]

Common Code: [●]

[CFI: [Not Applicable/[●]]

(If the CFI is not required, requested or available it/they should be specified to be “Not Available)

[FSIN: [Not Applicable/[●]]

(If the FSIN is not required, requested or available it/they should be specified to be “Not Available)

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [●]

GENERAL INFORMATION

1. This Base Prospectus has received visa n°18-535 from the AMF on 26 November 2018. Application has been made to Euronext Paris for the Notes issued under the Programme to be admitted to trading on Euronext Paris and/or on any other regulated market in a Member State of the EEA. Application has been made for the delivery by the AMF of a certificate of approval specifying that the Base Prospectus has been drawn up in accordance with the Prospectus Directive to the *Commission de Surveillance du Secteur Financier* (“CSSF”), as competent authority in Luxembourg for the purposes of the Prospectus Directive. In compliance with Article 18 of the Prospectus Directive, such notification may also be made from time to time at the Issuer’s request to any other competent authority of any other Member State of the EEA.

2. No authorisation procedures are required of the Issuer under French law for the update of the Programme.

Drawdown of Notes under the Programme, to the extent such Notes constitute *obligations*, have been authorised by the Board of Directors (*Conseil d’Administration*) of the Issuer on 25 July 2018.

Any drawdown of Notes, to the extent that such Notes do not constitute obligations, fall within the general powers of the Chairman of the Board of Directors (*Président du Conseil d’Administration*) or one of the *directeurs généraux* of the Issuer.

3. The long-term corporate rating of the Issuer by S&P is A- (stable outlook).

4. There has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2018 and no material adverse change in the prospects of the Issuer since 31 December 2017.

5. The Issuer is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) involving the Issuer during the past 12 months which may have, or have had in the recent past, significant effects on the Issuer’s and/or the Group’s financial position or profitability.

6. As of the date hereof, to the Issuer's knowledge, there are no potential conflicts of interest between the private interests and/or other duties of members of the board of directors of the Issuer and the duties they owe to the Issuer.

7. Notes have been accepted for clearance through the Euroclear and Clearstream systems which are entities in charge of keeping the records. The Common Code, the ISIN and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Brussels, Belgium and the address of Clearstream is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

8. Dematerialised Notes will be inscribed in the books of Euroclear France (acting as central depository). Dematerialised Notes which are in registered form (*au nominatif*) will also be inscribed either with the Issuer or with the registration agent.

The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France.

9. For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent and the Paying Agents:

- (i) the constitutive documents (*statuts*) of the Issuer;
- (ii) the published annual report (*document de référence*) of the Issuer for the financial years ended 31 December 2017 and 31 December 2016 and the 2018 Half-Year Financial Report;
- (iii) each Final Terms for Notes that are admitted to trading on Euronext Paris or on any stock exchange or any other Regulated Market;

- (iv) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus and any document incorporated by reference;
 - (v) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Base Prospectus.
10. For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available on the website of the AMF (www.amf-france.org):
- (i) the Final Terms for Notes that are admitted to trading on Euronext Paris or on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange;
 - (ii) the Base Prospectus; and
 - (iii) the documents incorporated by reference in this Base Prospectus (excluding the 2018 Half-Year Financial Report).
11. The by-laws, reports, letters, and other documents, historical financial information, valuations and statements prepared by the Auditors or any expert at Schneider Electric's request, any part of which is included or referred to in this document, as well as Schneider Electric and the Group's historical financial information for the financial years 2017 and 2016 are available for consultation at the Company's head office located at 35, rue Joseph Monier - 92500 Rueil-Malmaison, France.
- In addition to the annual report and a summary report, the Company also publishes on its corporate website, www.schneider-electric.com, Schneider Electric "In brief" presentations, a Shareholders' Letter (three times a year), and general, economic and financial information (presentations, press releases).
12. The Notes to be issued by the Issuer qualify under Category 2 for the purposes of Regulation S under the Securities Act ("**Regulation S**"). Notes will be issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**") unless (i) the relevant Final Terms states that such Materialised Notes are issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(C) (the "**C Rules**"), or (ii) such Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.
13. Mazars at Tour Exaltis, 61, rue Henri Regnault, 92075 La Défense Cedex, France, and Ernst & Young & Autres at Tour First – 1, place des Saisons, 92037 Paris La Défense Cedex, France (both entities regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux Comptes*) have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the years ended 31 December 2017 and 2016. The French auditors carry out their duties in accordance with the principles of *Compagnie Nationale des Commissaires aux Comptes* and are members of the CNCC professional body.
14. In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the Final Terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of Stabilising Manager(s)) in accordance with all applicable laws and rules.

15. Unless otherwise specified or the context otherwise requires, references to “**€**” “**EURO**” or “**Euro**” are to the single currency of the participating Member States of the European Union, references to “**CHF**” or “**Swiss Francs**” are to the lawful currency of the Swiss Confederation, references to “**U.S. dollars**” or “**USD**” are to the lawful currency of the United States of America, references to “**Yen**”, “**JPY**” or “**Japanese Yen**” are to the lawful currency of Japan, references to “**£**”, “**pounds sterling**” or “**Sterling**” are to the lawful currency of the United Kingdom, and references to “**Yuan**”, “**RMB**”, “**CNY**” or “**Renminbi**” are to the Chinese Yuan Renminbi, the lawful currency of the PRC. References in this Base Prospectus to “**day**” or “**days**” are to a calendar day or to calendar days, respectively.
16. Amounts payable under the Floating Rate Notes may be calculated by reference to EURIBOR or LIBOR which are respectively provided by the European Money Markets Institute (“**EMMI**”) and ICE Benchmark Administration Limited (“**ICE**”), or other Reference Rates as indicated in the relevant Final Terms. As at the date hereof, (i) the ICE appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “**Benchmark Regulation**”) and (ii) the EMMI does not appear on such register. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence). The relevant Final Terms in respect of an issue of Floating Rate Notes may specify the relevant benchmark, the relevant administrator and whether such administrator appears on the European Securities and Markets Authority register referred to above.
17. The LEI of the Issuer is 969500A1YF1XUYYS284.

PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS

In the name of the Issuer

The Issuer declares, having taken all reasonable care to ensure that such is the case and to the best of its knowledge, that the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Schneider Electric SE
35, rue Joseph Monier
92500 Rueil-Malmaison
France

Duly represented by:
Véronique Blanc
Senior Vice President Financing and Treasury

Duly authorised
on 26 November 2018



Autorité des marchés financiers

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (“AMF”), in particular Articles 212-31 to 212-33, the AMF has granted to this Base Prospectus visa No.18-535 on 26 November 2018. It was prepared by the Issuer and its signatories assume responsibility for it.

In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of whether the document is complete and comprehensible, and whether the information it contains is coherent. It does not imply that the AMF has verified the accounting and financial data set out in it and the appropriateness of the issue of the Notes.

In accordance with Article 212-32 of the AMF's General Regulations, any issuance or admission to trading of securities under the Base Prospectus will be subject to the publication of Final Terms.

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in respect of French law

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