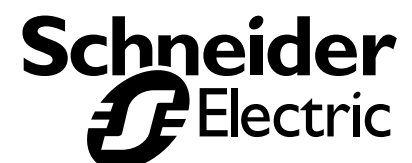


This is a copy of the Payroll Deduction Agreement that you must sign in the on-line reservation tool if you wish to finance your share purchase under the 2008 Employee Share Plan with a loan from your employer. This document is for information only.

Payroll Deduction Agreement

By accepting the terms of the Payroll Deduction Agreement, you are indicating that you agree as follows:

1. In consideration of the privilege of purchasing shares of Schneider Electric stock under the Plan through an interest-free loan from my Employer (which shall be considered an advance on my pay), I promise to repay the total amount borrowed. I understand that my final loan amount may be less than the amount I reserved, to account for the purchase of whole shares only, or if the Plan is over-subscribed.
2. I hereby authorize my Employer to deduct from my pay for each pay period starting with my first pay period beginning on or after August 1, 2008, the amount necessary to repay my loan over a 10-month period.
3. I understand that if I subscribe for more shares than may be purchased with the employer loan limit of \$10,000 (an "excess amount") and I fail to make payment by cashier's check for the excess amount, the additional shares may still be purchased for my account in the Plan. I acknowledge that this additional purchase will be funded by my Employer or Schneider Electric and will be considered an advance on my pay. Therefore, I hereby consent and authorize my Employer to make additional deductions from my pay, in the amount necessary to reimburse my Employer or Schneider Electric for the excess amount, under such terms and over such time frame as my Employer or Schneider Electric may reasonably establish in their sole discretion. Alternatively, I agree that Schneider Electric may, in its discretion, instead elect to direct the sale of all or part of my shares as necessary to recover the excess amount that I owe.
4. I agree that if I enter into an approved leave of absence in which I am not receiving a paycheck from my Employer, I will continue regular repayments by sending personal checks or money orders to my Employer, made out to my Employer. Once I return to active employment, my payroll deduction payments will resume.
5. I agree that if I fall behind in my scheduled payments for any reason, my Employer may recalculate my payroll deductions to ensure that my entire loan is repaid within the 10-month repayment period or within such extended period as my Employer may, at its discretion, reasonably establish.
6. I understand that, if my employment with my Employer is terminated for any reason whatsoever, I will continue to be obligated to pay the outstanding balance due on my loan. I promise to repay such balance in full at the time of termination by deduction from my final paycheck or from any other amount my Employer owes to me, and I hereby authorize the necessary deductions. If my final paycheck is insufficient to pay the balance of my loan, I promise to pay the entire balance due by cashier's check, cash or money order at time of termination. If I fail to complete payment of the outstanding balance due on my loan, I grant to my Employer a security interest in the shares purchased and the right to direct the sale of my shares to recover the amount I owe to my Employer. If the sums obtained are insufficient, I understand that I will remain indebted to my Employer.
7. I understand that if any amount remains past due for more than forty-five (45) days, my Employer may pursue all lawful remedies to satisfy my outstanding obligation (without further notice or presentment of any kind) including, but not limited to, demanding payment in full, referring the debt to a collection service, or initiating a court action to collect the amount owed.
8. This Agreement will be governed by and construed in accordance with the laws of the State of Illinois. The invalidity of any provision contained in this Agreement will not affect the validity of the rest of the Agreement. No failure or delay by my Employer to enforce any provision of this Agreement will be deemed to waive any right of my Employer under the Agreement.



9. This Agreement is the entire agreement between my Employer and me on this subject. This Agreement may not be changed except in writing (including an electronic writing) signed by both parties. The provisions contained in this Agreement are binding upon and for the benefit of the assigns, successors, heirs, administrators and executors of the parties.
10. I have read the Plan documents, the U.S. Payment Policy, and this Agreement, and I understand my obligations and commitments. I am signing this Agreement of my own free will. I understand the rights of my Employer and I agree to each provision of this Agreement.
11. I acknowledge that I am executing this Agreement by so indicating in the on-line reservation tool made available to me. I understand and agree that my electronic signature on the on-line reservation tool shall be fully accepted by all parties and persons, for all purposes, as my original signature.
12. I acknowledge and agree that my Employer is deemed to execute this Agreement by accepting the Agreement signed by me and by paying for my shares through the loan as described above.