

**Information related to the remuneration of ALSTOM's Executive Officer published in compliance with AFEP-MEDEF recommendations**

At its meeting held on 5 May 2015, the Board of Directors acknowledged the recommendations of the Nominations and Remuneration Committee and fixed the following elements related to the global remuneration of Mr Patrick Kron, Executive Officer of ALSTOM.

**Variable remuneration in respect of fiscal year 2014/15**

The variable part of the Chairman and Chief Executive Officer's remuneration is a maximum percentage of the fixed part. It varies along with the achievement of objectives for the fiscal year predetermined by the Board of Directors upon proposal of the Nominations and Remuneration Committee. These objectives are comprised of, on one hand, a number of the Group's financial objectives and, on the other hand, specific qualitative objectives linked to the achievement of personal objectives that are reviewed every year and determined based on the strategic priorities defined for the Group. The Board of Directors determines the level of completion of these objectives and the amount of the variable part of the remuneration, based on the Nominations and Remuneration Committee's proposal, at the meeting during which the Board approves the accounts for the fiscal year.

Since 2006, the variable remuneration of the Chairman and Chief Executive Officer is capped at 160% of his fixed remuneration and, provided he meets set objectives, the variable remuneration target represents 100% of his fixed remuneration.

For the 2014/15 fiscal year, at its meeting dated 22 July 2014, the Board of Directors decided, while taking into account the specific circumstances resulting from the offer received by General Electric and accepted on 20 June 2014, that the variable part linked to the Group's financial objectives would range from 0 to 80% of his fixed remuneration with a 40% target, and would have two separate components – one for Transport activities and the other for Energy activities. The variable part linked to specific qualitative objectives would range from 0 to 80% with a 60% target.

The financial objectives associated with the Transport sector would count for one fourth of the financial component, or a 0 to 20% range of his fixed remuneration with a 10% target, it being specified that the indicators retained are the gross margin on orders received, income from operation, and free cash flow. The financial objectives associated with the Energy sector would count for the three fourths of the financial component, or a 0 to 60% range with a 30% target, the indicators being sales, income from operation, and free cash flow.

The personal objectives would take into account for 60% of the total, indicators linked to the status of the transaction with GE, and the remaining 40% would be based on indicators assessing the management of the Company during the current transitory period.

At its meeting dated 5 May 2015, and based on the Nominations and Remuneration Committee's proposal, the Board of Directors noticed that the level of completion of the financial objectives associated with the Transport sector amounted to 11.7% within a 0 to 20% range. For the Energy sector, and taking into account the very particular conditions of that fiscal year, the Board of Directors decided that the level of completion would be considered as having met its target, or half of the maximum amount (30% within a 0 to 60% range). As such, the variable part of the remuneration linked to financial objectives is equal to 41.7% of the fixed remuneration within the 0 to 80% range.

At the same meeting, the Board of Directors established that the levels of completion of personal objectives were 40% within a 0 to 48% range (with a 36% target) for the status of the transaction with General Electric and 24% within a 0 to 32% range (with a 24% target) for the management of the Company during the current transitory period, respectively. Therefore, the variable part linked to personal objectives is equal to 64% of the fixed remuneration within the 0 to 80% range.

Therefore, on aggregate, the Chairman and Chief Executive Officer's variable remuneration for the fiscal year 2014/15 is equal to 105.7% of his fixed remuneration, or €1,268,000.

### **Fixed and variable remunerations in respect of fiscal year 2015/16**

At its meeting dated 5 May 2015, and based on the Nominations and Remuneration Committee's proposal, the Board of Directors decided to maintain the combination of Chairman of the Board and CEO functions and to renew the appointment of Mr Patrick Kron as Chairman and Chief Executive Officer, subject to the renewal of his Director's mandate.

At its meeting dated 5 May 2015, and based on the Nominations and Remuneration Committee's proposal, the Board of Directors decided that the fixed remuneration of the Chairman and Chief Executive Officer would not be modified; the fixed remuneration would as such remain unchanged at €1,200,000.

The Board of Directors also decided that it would maintain for the fiscal year 2015/16 the structure of variable compensation retained for fiscal year 2014/15: The variable compensation will include a part linked to financial objectives which would range from 0 to 80% of the fixed remuneration with a 40% target, and a part linked to personal objectives which would range from 0 to 80% with a 60% target.

The financial objectives will be for three fourths associated with the Transport business (0 to 60% range with a 30% target) and will retain the gross margin on orders received, income from operation and free cash flow, and for one fourth associated with the Energy business (0 to 20% range with a 10% target) and will retain the operating margin and the free cash flow.

The personal objectives will be evaluated within a 0 to 80% range with a 60% target and will take into account by third the management of the Company during the current transitory period until

the completion of the transaction with General Electric, the preparation and implementation of the public share buy-back offer (or any alternative scheme which would be deemed appropriate) and the definition and development of the Group's strategy in Transport.

The Board took note of the announcement by the Chairman and Chief Executive Officer of the termination of his functions after the completion of the transaction with General Electric. On that date, the Board will determine the prorata temporis amount of the variable compensation due and will appreciate on the basis of the target values the rate of achievement of the financial objectives that it will not be possible to assess.

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