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**ALSTOM**  
**ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING**  
**18 DECEMBER 2015**

**PRESENTATION OF THE RESOLUTIONS**

All the information that must be published within the framework of this Shareholders' Meeting pursuant to Article R. 225-73-1 of the French Commercial Code will be made available to the shareholders within legal time limits on the Alstom's internet website (<http://www.alstom.com/investors/shareholder-corner/annual-general-meeting>). The text of the resolutions, which is available on the Alstom internet website, is also included in the Preliminary Notice of Meeting relating to this Shareholders' Meeting published in the French *Bulletin des Annonces Légales et Obligatoires* on 9 November 2015. As indicated below, additional information are given notably in the Alstom Notice of Meeting for this Shareholders' meeting ("**Notice of meeting**") available on Alstom's internet website.

**AGENDA OF THE MEETING**

- Board of Directors' report,
- Special Statutory Auditors' report,

**Resolutions to be discussed at the Extraordinary Shareholders' Meeting:**

- Share capital reduction in the maximum nominal amount of €640,500,000 via a Company share buyback followed by the cancellation of such repurchased shares, and authorisation granted to the Board of Directors for the purpose of formulating a public buyback offer targeting all shareholders, carrying out the share capital reduction, and setting its final amount,
- Authorisation to the Board of Directors to make free allotments of existing or future shares of the Company up to a limit of 5,000,000 shares, of which a maximum amount of 200,000 to corporate officers of the Company; automatic waiver by the shareholders of their preferential subscription rights.

**Resolutions to be discussed at the Ordinary Shareholders' Meeting:**

- Ratification of the transfer of the registered office,
- Appointment of Mr Olivier Bourges as director (resolution submitted by Bouygues),
- Authorisation to implement the decisions by the Shareholders' Meeting and complete the formalities.

## – **Statements of reasons on the proposed resolutions**

The statements of reasons below constitute the Board of Directors' report to the Shareholders' Meeting relating to the resolutions submitted to the Combined Shareholders' Meeting dated 18 December 2015 (hereinafter the "**Combined Shareholders' Meeting**"). Are also reproduced below the statement of reasons given by Bouygues and the Board of Directors' position relating the resolution submitted by Bouygues.

### **FOR THE EXTRAORDINARY PART OF THE SHAREHOLDERS' MEETING**

Share capital reduction in the maximum nominal amount of €640,500,000 via a Company share buyback followed by the cancellation of such repurchased shares, and authorisation granted to the Board of Directors for the purpose of formulating a public buyback offer targeting all shareholders, carrying out the share capital reduction, and setting its final amount

*(First Resolution)*

On 19 December 2014, by more than a 99% vote in favour, the Extraordinary Shareholders' Meeting approved the transaction through which Alstom will be selling its Energy business to General Electric (hereinafter "General Electric" or "GE"). The Energy business includes the Power (electrical power generation) and Grid (Networks) businesses (hereinafter collectively referred to as the "Energy businesses"), as well as Alstom's corporate and shared services (hereinafter the "Transaction").

During this Extraordinary Shareholders' Meeting, the Board of Directors had mentioned that part of the amount paid by General Electric for the Energy businesses would be distributed to shareholders.

Following the completion of the Transaction with General Electric (hereinafter the "Closing"), the Board of Directors, having reviewed (i) all the terms of the planned public share buyback offer (hereinafter the "Offer" or the "OPRA"), as detailed in the draft version of Offer's Information Note, (ii) the valuation work conducted by the banks presenting the Offer, namely Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, Merrill Lynch International, BNP Paribas, HSBC France, Natixis, Rothschild & Cie Banque and Société Générale and (iii) the report prepared by the firm Duff & Phelps SAS, appointed by the Board of Directors to act as independent expert responsible, pursuant to the terms of Articles 261-3 et seq. of the AMF's General Regulations, for providing an opinion on the fairness of the price set in the context of the Offer. The Board has:

- approved unanimously the draft version of the OPRA involving a maximum amount of 91.5 million shares, representing 29.47% of its share capital, at a price of €35 per share, subject to the Company's Extraordinary Shareholders' Meeting's approval of the resolution on the OPRA for cancelling the repurchased shares;
- acknowledged that the firm Duff & Phelps, appointed as independent expert, provided a positive opinion on the fairness of the price offered to shareholders in the context of the OPRA;
- concluded that the OPRA represents an opportunity offered to the Company's shareholders to sell all or part of their shares at a price that includes a 17.6% premium over the 3 November 2015 share price at closing, and a 21.8% and 25.5% premium over the volume weighted average prices of the shares over, respectively, the one month and twelve months periods preceding 4 November 2015;
- concluded that this Offer would maintain a sound balance sheet structure for the Company, and would neither carry any adverse consequences on the strategy the Company intends to implement, on its financial capacity, or on its dividend distribution policy;
- acknowledged that employment should not be affected as a result of the OPRA;



- concluded that, as a result, the OPRA is in the interests of the Company, its shareholders, and employees, and recommends that the shareholders of the Company contribute their shares to the OPRA;
- acknowledged Bouygues' intention to tender a number of shares to the Offer allowing it to maintain its share capital following the Offer at a level comparable to its current level;
- took note of the fact that this transaction will have an accretive effect on the net earnings per share of those shareholders who choose not to tender their shares.

In addition, the Board of Directors granted all powers to the Chairman and Chief Executive Officer, insofar as necessary, for the purpose of filing the draft version of the OPRA, taking all measures, negotiating, finalising, and executing all agreements, and generally speaking, taking all useful and necessary action to allow for the successful completion of this Offer.

In order to determine the maximum amount that can be distributed to shareholders, the main objective of Alstom's Board of Directors was to ensure that the new Alstom would be left with a financial structure able to satisfy its operating needs, to finance itself in the short, medium, or long run while taking into account the singular significance of bank guarantees for its business, and to take advantage of any value-adding external growth opportunities that may present themselves. The proposed price of €35 was determined based on a multi-criteria analysis presented in both the Offer's Information Note and in the conclusions of the independent expert's report.

As such, following this Shareholders' Meeting, and subject to the latter's approval of the first resolution, the Company would offer to buy back a maximum number of 91.5 million Company shares from shareholders in cash, at the price of €35 per share, via a public share buyback offer, with the aim of later cancelling such repurchased shares, pursuant to the terms of articles L. 225-204 and L. 225-207 of the French Commercial Code.

The offer would be made to all of the Company's shareholders in France and abroad, provided the local laws to which they are subject allow them to participate without requiring that the Company complete any additional formalities.

The Offer would not be open in the United States or in any country other than France where the Offer would be illegal or subject to the review and/or the authorisation of any regulatory authority, and no actions will be taken to change this.

The Board of Directors unanimously recommend that shareholders tender their shares to the OPRA.

Bouygues, which as of the date hereof holds 29.16% of the share capital and voting rights of the Company, has been committed to exercise its voting rights at the Company's Shareholders' Meeting based on the Board of Directors' recommendation.

The draft version of the Information Note was filed with the Autorité des marchés financiers (French financial markets regulator, hereinafter the "AMF") on 9 November 2015, in accordance with the provisions of Articles 231-13 and 231-18 of its General Regulations. The Offer and the Information Note will be subject to the AMF's review, which will publish a decision on compliance after assessing the Offer's compliance with applicable legal and regulatory provisions. It is expected that such decision on compliance will be taken before this Shareholders' Meeting. The Offer's Information Note is available to shareholders on the Company's website.

New authorisation given to the Board of Directors to allocate free performance shares  
(Second resolution)

The table below summarizes the authorisations to grant stock options or free shares outstanding as of today. These authorisations have not been used during the fiscal year 2013/2014, the last granting having been made on 1 October 2013.

Nature of the authorisation	Maximum nominal amount authorised	Nominal amount used during expired fiscal year	Available amount	Expiry/Duration
Offerings to employees and executives				
Authorisation of free allocation of existing or new shares to employees (GM 2 July 2013, resolution No. 9)	1% of the share capital at the date of the Shareholders' Meeting, to be deducted from the overall limit set in resolution No. 10 of GM 2 July 2013(1)	None	2,084,157 shares, i.e. 0.67% of the share capital(2) to be deducted from the overall limit set in Resolution No. 10 here below	1 September 2016 (duration: 38 months)
Authorisation to grant stock options to subscribe or purchase shares (GM 2 July 2013, resolution No. 10)	2.5% of the share capital at the date of the Shareholders' Meeting, less any amount issued by virtue of the resolution No. 9 of GM 2 July 2013(1)	None	7,040,443 options, less any amount issued by virtue of the Resolution No. 9 here above, resulting in a remaining balance available of 6,039,743 options i.e. 1.95% of the share capital(2)	1 September 2016 (duration: 38 months)
<p>(1) Global limitation of the allocation of stock-option and performance share to 2.5% of the share capital as of the Shareholder's Meeting date (before any adjustments).</p> <p>(2) On the basis of the share capital as of 31 October 2015.</p>				

The legal framework of the free allocation of shares is provided for under the Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code as modified by the Law No. 2015-990 promulgated on 6 August 2015 to promote growth, activity and equal economic opportunities. As these new provisions apply to the granting of free shares approved by a decision of the Extraordinary Shareholders' Meeting held after the law's publication, it is hereby proposed in the second resolution, to cancel the authorisation previously granted by the Combined Shareholders' Meeting of 2 July 2013 for the unused balance and to grant a new authorisation to the Board of Directors.

In this resolution, it is also proposed to cancel, for the unused balance of shares, the authorisation to grant stock



subscription or purchase options granted by the Combined Shareholders' Meeting of 2 July 2013 in its tenth resolution which will expire during fiscal year 2015/16 as the Company does not intend to use these instruments in its future Long-term Incentive plans (LTI plans).

It is reminded that the potential total dilution that may result from all free performance share plans and conditional stock options in force is equal to circa 2.64% of the share capital as of 31 October 2015 (which would correspond to circa 3.75% of the share capital post-OPRA under the assumption of the purchase and the cancellation of all shares under the OPRA in the context of the first resolution (the "share capital of the Company post-OPRA")).

This potential dilution is equal to circa 0.38% of the share capital as of 31 October 2015 for free performance share plans and 2.26% of the share capital as of 31 October 2015 for the conditional stock options in force (corresponding to respectively 0.55% and 3.20% of the share capital of the Company post-OPRA).

In the second resolution, it is hereby proposed to grant to the Board of Directors, for a period of thirty-eight months, an authorisation enabling it to carry out allocations of free shares, either existing or to be issued, up to a limit of a 5,000,000 shares before adjustments (which would represent circa 2.3% of the share capital of the Company post-OPRA), for the benefit of persons it shall select from among eligible employees and corporate officers (*mandataires sociaux*) of the Company and of the companies or economic interest groups related to it in the meaning of Article L. 225-197-2 of the French Commercial Code, whether they are located in France or outside of France. The use of this authorisation, in case of issue of new shares, would require the Company to secure reserves that could be added to the share capital.

Within this ceiling, the potential allocations granted to corporate officers (*mandataires sociaux*) of the Company would remain limited to 200,000 shares (which would correspond to circa 0.1% of the share capital of the Company post-OPRA) (before adjustments).

This authorisation would be used notably:

- within the framework of Long-term Incentive Plans (LTI) which subject the delivery, as in the past, of all shares to performance conditions;
- within the framework of free share allocations of shares for the benefit of a larger amount of employees through employees savings transactions such as the free share allocation plan ("Awards for All") carried out in 2006 for the benefit of all Group employees; or
- within the framework of capital increases reserved for the Group employees such as the Alstom Sharing 2007 and Alstom Sharing 2009 employee shareholding plans, in which the employer matching contribution offered in France was replaced, with respect to those subscribers located outside of France, by a free share allocation in which the acquisition of the shares was subject to a vesting period.

In accordance with the policy applied by the Company, for those grants carried out within the context of the LTI plans, grants of free shares would all be subject to the fulfillment of one or several demanding performance condition(s) to be determined by the Board of Directors, upon proposal of the Nominations and Remuneration Committee, measured over a minimum time frame of three fiscal years as is currently the case for ongoing plans.

In accordance with current practice, these objectives would be consistent with the published guidance of the Group. The Board of Directors, upon proposal of the Nominations and Remuneration Committee, has the option to add any demanding external performance criteria considered as relevant.

The policy followed, the performance criteria used and their fulfillment are exposed in detail in the Company's Registration Documents and, in particular, the 2014/15 Registration Document (please refer to the Chairman's report provided for under Article L. 225-37 of the French Commercial Code and the section "Interests of the officers and employees in the share capital" and Note 23 to the consolidated financial statements as of 31 March 2015).

In accordance with the terms of the proposed resolution, the Board of Directors will have the ability to carry out free allocations of shares that are not subject to performance conditions (this will not apply to allocations to corporate officers (*mandataires sociaux*) or members of the Executive Committee of the Company) provided they are made through operations offered to a majority of the Group's employees such as the 2006 Awards for All plan (offered to approximately 57,000 beneficiaries and bearing on 0.50% of the share capital as of the date of the allocation decision) or the allocations to subscribers outside France of the Alstom Sharing 2007 and 2009 employee shareholding plans (offered to almost all of the Group's employees), and up to a limit of a number of shares of 2,000,000 (before adjustments) (which would correspond to circa 0.9% of the share capital of the Company post-OPRA), this limit being deducted from the 5,000,000 shares ceiling mentioned above.

The resolution provides, in accordance with the Article L. 225-197-1 as recently modified by law, the allotment of the shares to the beneficiaries would only be final at the end of a vesting period to be determined by the Board of Directors, the minimum duration of which would be one year followed by a holding period to be defined by the Board of Directors which cannot be lower than one year as from the definitive allotment of shares. We propose also to decide that the vesting period could be no lower than two years with, in such a case, the ability to eliminate the holding period for these shares in accordance with the terms of the law. In practice, for the allotment of shares subject to performance conditions, the definitive allotment would not be possible before the fulfillment of all these conditions, i.e. at the term of a period of three years, and could be, in such a case, not be followed by a holding period.

For the allocations of shares not subject to performance conditions in the conditions mentioned here above, the definitive allotment would become definitive either (i) at the end of a minimum period of one year in accordance with Article L. 225-197-1 as recently modified, being specified that the beneficiaries will have to hold the shares for a minimum period of time of one year as from the definitive allotment of shares, or, (ii) for all or part of the shares allocated, at the end of a minimum vesting period of two years, with in such a case, no holding period.

We finally propose that you authorise the early allotment of shares in case of a second or third category disablement of the allottee's beneficiary as per Article L. 341-4 of the Social Security Code and to allow protection measures for the beneficiaries in case of operations affecting the share capital.

The policy followed, the performance criteria used and their fulfillment are exposed in detail in the Company's Registration Documents and, in particular, the 2014/15 Registration Document (please refer to the Chairman's report provided for under Article L. 225-37 of the French Commercial Code and the section "Interests of the officers and employees in the share capital" in the section "Corporate governance", and Note 23 to the consolidated financial statements as of 31 March 2015).

Reminder of the policy followed by the Company relative to the allocation of performance shares

Generally, every year, the Board of Directors sets up, in France and abroad, a Long-term Incentive Plan (LTI plan) which, since fiscal year 2007/2008, combines the allocation of stock options with the free allocation of shares and subjects the exercise of all stock options and the delivery of all shares to identical performance conditions and attendance requirements. These plans are decided by the Board of Directors upon the proposal of the Nominations