

Free translation of the original French version

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

The Chairman of the Nominations and Remuneration Committee reminds that the Chairman and Chief Executive Officer benefits from a supplemental retirement scheme built around a defined benefit plan (Article 39) and a defined contribution plan (Article 83).

The Board of Directors at its meeting held on 8 November 2016, after having reviewed the recommendation of the Nominations and Remuneration Committee, has decided to substitute the defined benefit plan with a new supplemental defined contribution retirement plan, with the aim in particular to reduce the financial charge of these plans for the Company.

The setting up of this scheme aims at enabling the creation of retirement savings for the benefit of the Chairman and Chief Executive Officer which amount, at the time of his retirement, should enable the payment of an annual pension equivalent to the amount he would have been served under the defined benefit plan, minus a discount related to the removal of the presence condition and taking into account age and duration of eligibility to the plan. Other currently eligible beneficiaries of the defined benefit "Article 39" plan, being the Executive Committee members under French contract and whose annual base salary exceeds 8 times the Annual Social Security Ceilings, will benefit from an equivalent scheme.

The Board of Directors has decided:

- The closure, as from 31 December 2016, of the current defined benefit plan (Article 39) and the freeze of the cumulated rights representing on the same date an annual pension of 174,000€ (in constant euros) subject to a presence condition when retiring. No additional right will be acquired under this plan.
- The setting-up, as from 1st January 2017, of a new defined contribution plan consisting in the payment of an allowance to a dedicated external pension fund (Article 82). The calculation of the annual contribution will be based on the total annual gross remuneration (fixed and variable) of Mr. Poupart-Lafarge on the following basis:
 - 10% of his fixed remuneration within a range of 8 and 12 Annual Social Security Ceilings and 20% of his fixed remuneration above 12 Annual Social Security Ceilings,
 - 20% of his variable annual remuneration as decided by the Board of Directors.
 - The reference remuneration (fixed and variable) for the contribution calculation may not exceed 2,000,000 euros.
 - No contribution will be paid if the calculation of the variable remuneration is equal to zero.

In accordance with the provisions of the article L. 225-42-1 of the French *Code de Commerce*, the benefit of this scheme is subject to performance conditions. The amount of the annual gross contribution may vary depending on the variable remuneration as decided by the Board of Directors upon the Nominations and Remuneration Committee's proposal up to a maximum amount of 323,000 euros.

The Chairman and Chief Executive Officer takes the commitment, once the social and tax obligations related to these contributions are fulfilled, to hold the accrued capital on the dedicated retirement savings vehicle, at least for the duration of his mandate.

This new scheme will reduce the related annual charge in the financial statements of the Company by approximatively 25% (on the basis of the target remuneration).

The potential pension amount under this scheme, based on his remuneration at target, remains lower than the one that would have been served under the previous defined benefit plan (which had already been capped at a maximum of 8 Annual Social Security Ceilings), due to the application of a discount linked to the transition from a presence conditioned to a non-presence conditioned scheme.

The Chairman and Chief Executive Officer will continue to benefit, unchanged, from the defined contribution plan (Article 83) up to 24,714 euros per year supported at 95% by the Company.

The pension's undertakings will be subject to a special report of the auditors to the General Shareholders Meeting.