

AUDIT COMMITTEE INTERNAL RULES

(as of 3 May 2011)

1. Membership

The Audit Committee (hereinafter referred to as the "Committee") shall consist of at least three members, including a Chairman, all appointed by the Board of Directors from among the Directors of ALSTOM upon the recommendation of the Nominations and Remuneration Committee. The term of office of a member of the Committee shall not exceed his or her term of office as a Director. The Board of Directors can, at any moment, revoke a member's membership to the Committee.

At all times, at least two thirds of the Committee's members must be independent Directors, and an independent Director must chair the Committee. The criteria according to which a Director's independence is qualified are determined by the Board of Directors upon recommendation of the Nominations and Remuneration Committee in accordance with corporate governance principles that the Company abides by.

The members of the Committee must have the financial management or accounting expertise that is necessary for effectively carrying out their duties and shall have access upon request to all information regarding financial and operational matters specific to the Company and the Group. In compliance with applicable French legal provisions, at least one member of the Committee must have specific expertise in financial or accounting matters and be independent.

A Committee member cannot be a corporate officer of the Company with management duties.

2. Duties

Acting under the authority of the Board of Directors, the general purpose of the Committee is to assist the Board of Directors in overseeing issues relating to the development and management of financial and accounting information. In particular, the Committee is responsible for monitoring (i) the process according to which the financial information is developed, (ii) the efficiency of internal controls and risk management systems, (iii) the legal auditing of annual account statements and consolidated account statements as carried out by the external auditors, and the independence of such external auditors.

The Committee monitors in particular: (i) the regularity, truthfulness and fair view given by the financial statements of the Company and other related financial information or reports sent to the shareholders, the public and stock exchanges authorities; (ii) the Company's compliance with applicable legal and regulatory requirements related to financial information and (iii) the successful operation of the Company's internal audit function.

In fulfilling its role, the Committee is responsible for the following:

- to review the scope of consolidation and examine all draft consolidated and corporate financial statements and related reports which will be submitted to the Board for approval and to discuss them with Management and the external auditors;
- to review with Management and the external auditors the generally accepted accounting principles used in the preparation of the accounts including the review of alternative accounting principles, as well as any change in accounting principles, methods or rules while monitoring that such principles are still relevant;
- to examine and monitor the production process and the treatment of financial and accounting information used in the preparation of account statements;
- to evaluate the validity of the methods chosen for processing significant transactions as well as those transactions through which a conflict of interest could have occurred;
- to examine Management's presentation on risk exposure (including legal risks) and significant off-balance sheet commitments and contingencies at the time of the Committee's review of the accounts;
- to review and evaluate at least annually, the efficiency of internal control procedures and risk management procedures in place, including those associated with the development and treatment of financial and accounting information; the Committee monitors that the main risks are identified and managed, and that it is kept informed of their existence and status, it being specified that it shall receive the opinion of the Ethics, Compliance, and Sustainability Committee on the risk map concerning ethics and compliance, social responsibility and sustainable development and on the procedures in place for preventing the identified risks;
- to examine and review, on an annual basis, the organization and operation of the internal audit; the Committee approves the internal audit program, monitors its development and the results of its plans of action;
- to review with the external auditors the nature, scope, and results of their audit and work performed, and to review their comments and suggestions, in particular those relating to internal control and risk management procedures, to accounting practices and to the internal audit program;
- to examine and provide the Board of Directors with its opinion on the Chairman of the Board of Directors' draft report to Shareholders at the General Shareholders' Meeting on the internal controls and risk management procedures implemented by the Company;
- to review and control the call for tenders procedure associated with the selection of external auditors and provide the Board of Directors with a recommendation on the external auditors proposed for appointment by Shareholders at the General Shareholders' Meeting and on the amount of fees that the Company intends to pay them;
- to approve the External Audit Charter governing relations with the external auditors and examine, on an annual basis, the amount of the fees paid by the group to the networks to which such external auditors belong, including fees that are not directly linked to the external auditors' duties;

- to see to the external auditors' independence, to examine with them, if applicable, the risks that are impacting such independence and the safety measures undertaken to mitigate these risks and grant its prior approval to any external audit performed that is accessory to or directly complementary to the audit of the accounts they are responsible for (excluding all other duties).

The Committee shall also perform any other activities as the Committee or the Board of Directors deems necessary or appropriate. The Committee may seek any assistance it may deem necessary.

3. Operating procedures

The Committee shall meet at least three times a year at the convocation of its Chairman or the Chairman of the Board of Directors, upon reasonable previous notice or without delay in case of urgency. In addition, each member may propose a meeting if he sees the need to discuss particular matters. Convening of the Committee may be done by any means, including verbally.

A quorum of at least half of the members present is required for a Committee Meeting to take place.

The Chairman of the Committee shall appoint a Secretary of the Committee.

Materials related to the matters on the Meeting's agenda are to be provided to the members of the Committee sufficiently in advance of the Meeting and, if appropriate, at least two days prior to the Board Meeting taking place after such Committee Meeting, wherever necessary, to allow the Committee's members to carry out their review.

The Committee should meet with the external auditors, the Chief Financial Officer, the General Counsel, the Chief Accounting Officer, the Senior Vice President-Performance Management, the Internal Audit and Internal Controls Manager, the Head of the Treasury and another other officers of the group it may deem necessary, under the conditions it sets forth and, if it deems necessary, without the presence of Management.

At its sole discretion, the Committee shall have authority to retain such outside independent counsel, experts and other advisors as it deems appropriate, while expenses associated with the use of this authority will be borne by the Company.

The Committee may request all information as well as any training necessary to the completion of its duties.

The external Auditors shall be present at all of the meetings, unless otherwise decided by the Committee.

Meetings of the Committee may be held in person or through any other means (telephone or videoconference; exchange of documents by mail, telecopy or by electronic transfer) which permit the agenda and preliminary documents to be transmitted to members; the list of participants to be drawn up; and which permit members to exchange opinions and to establish the Committee's recommendations, conclusions and comments.

The Committee's recommendations, conclusions and comments are decided by the majority of these Committee members attending the meetings, each member holding one vote. In the event that votes are equally shared, the Chairman will cast the deciding vote.

The minutes of Meetings shall be prepared by the Secretary of the Committee for approval of the Chairman of the Committee and the other members of the Committee. Once approved, the Secretary shall keep the minutes of the Committee Meetings which are at the disposal of the members of the Board of Directors.

4. Report to the Board

The Chairman of the Committee or the member designated by the Committee when the President is unable to attend shall, on a regular basis, submit a summary describing the performance of the Committee's duties and its recommendations, conclusions and comments to the Board of Directors and its Chairman. The Committee must inform the Board as soon as possible whenever it encounters a problem.

The Committee presents to the Board a formal evaluation of its functioning at least once every three years completed on the basis of performance evaluation criteria approved by the Board. Once a year, the Committee dedicates one of the items on its agenda to a debate concerning its functioning.

The Committee shall review at least annually the adequacy of these rules and submit any proposed amendment to the Board of Directors for approval.

The Committee shall also submit to the Board approval a summary of its tasks performed in respect of each financial year, to be inserted in the Company's annual report.

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