

**ETHICS, COMPLIANCE AND SUSTAINABILITY COMMITTEE  
INTERNAL RULES**

**(as of 3 May 2011)**

**1. Membership**

The Ethics, Compliance and Sustainability 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 her or his term of office as a Director. The Board of Directors can, at any time, change the composition of the Committee.

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.

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

**2. Duties**

The Committee shall act under the authority of the Board of Directors.

Ethics & compliance dimension

The Committee reviews and monitors the Company's policies on ethics and compliance matters and the systems and procedures in place to effectuate these policies and provides the Board of Directors with its views.

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

- to review the definition of the Group's core values and ethics and compliance policy;
- to review the organization of the Ethics and Compliance function and make recommendations if any ;
- to review the Group's ethics charters, rules and procedures (including procedures with third parties); the Committee is informed of the plans for their promotion and implementation;
- to receive, on an annual basis, the presentation of the Group's risk map concerning ethics and compliance; it reviews the risks thus identified and is kept informed of their evolution and of the characteristics of their management systems;

- to receive from the head of Ethics & Compliance function the annual activity report on the Company's ethics and compliance policy and actions undertaken; to review and recommend the proposed compliance action plan for the following year and to monitor its development;
- the Committee is informed of any possible cases of non-compliance with respect to the ethics and compliance policy and reviews the actions plans carried out as a result of such cases;
- to review the liaison with stakeholders over ethical issues.

#### Sustainable development dimension

The Committee reviews and assesses the Company's strategy, policies and procedures on issues related to corporate responsibility and sustainable development as described below and provides the Board of Directors with its views.

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

- to review the Group's environmental policies and management systems;
- to review the human resources policies, objectives and results notably in the following areas: health and safety, diversity, equal employment, employee relations and related matters; this includes reviewing notably the health and safety reports and management systems;
- to review policies with respect to relationships with stakeholders (customers, suppliers, local communities) including the activities of the Alstom foundation; this includes reviewing and monitoring any other charitable policies of the group;
- to receive, on an annual basis, the presentation of the Group's risk map concerning social responsibility and sustainable development; it reviews the risks thus identified and is kept informed of their evolution and of the characteristics of their management systems;
- to review and assess the reporting and control procedures on non-financial indicators (environmental, health and safety, social reporting and indicators);
- to review the main lines of the Company's communication on corporate responsibility and sustainable development; the Committee also reviews the annual Board of Directors' draft report on the social and environmental impact of the Company's operations and provides the Board with its views on such report);
- to review and monitor the ratings received by the Group from non-financial rating agencies.

### **3. Operating procedures**

The Committee shall meet at least two 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 two members present is required for a Committee Meeting to take place. The Chairman of the Meeting shall be an independent Director.

The Chairman of the Committee shall appoint the Secretary(ies) 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, wherever necessary, to allow the Committee's members to carry out their review.

The Committee should meet with any officer of the group it may deem necessary to perform its duties and with the external auditors, under the conditions it sets forth and, as the case may be, without the presence of Management.

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

The Committee provides an opinion to the Audit Committee on the risk map for ethics, compliance, social responsibility, and sustainable development, and on the procedures for preventing such risks from occurring.

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

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 and which permit members to exchange opinions and to establish the Committee's recommendations, conclusions and comments.

The minutes of Meetings shall be prepared by the Secretary(ies) of the Committee for approval of the Chairman of the Committee and the other members of the Committee. Once approved, the Secretary(ies) 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 Chairman is unable to attend shall, on a regular basis, report on 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 (the first review should be done after two years of functioning of the Committee). Once a year, the Committee dedicates one of the items on its agenda to a debate concerning its functioning.

The Committee shall also submit to the Board for 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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