

Alstom Intruction for Charitable Contributions (Ebook 2.3.3)

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Alstom Instruction for Charitable Contributions



Ethics & Compliance

1. Preamble



The Alstom Code of Ethics is essential in ensuring the proper conduct of our day-to-day business. This **Instruction for Charitable Contributions** is designed to provide detailed rules related to the **Alstom Code of Ethics**.

Alstom complies with all laws and regulations, as well as the international standards that apply to the conduct of business in all countries in which it is present and does business. In particular, Alstom complies with the OECD Anti-Bribery Convention, with French criminal law, with US legislation notably the Foreign Corrupt Practices Act (FCPA), the UK Bribery Act 2010, and follows the voluntary standards of the International Chamber of Commerce (ICC) and the guidance of the “Resource Guide to the US Foreign Corrupt Practices Act”.

2. What the Code of Ethics says



“Charitable contributions made in Alstom’s name or using its financial resources have to comply with applicable laws and regulations, be authorised by prior written approval and be properly recorded. The Ethics & Compliance Department may be consulted as appropriate. Contributions should have relevance to the community in which Alstom operates. You must keep proper written recordings of any decisions or actions taken.”

3. Audience



The **Instruction for Charitable Contributions** is intended for all Alstom employees who can face the situation of offering or being asked to offer a charitable contribution on behalf of Alstom.

Some functions face this situation more often than others. It is critical that employees having direct relationships with non-profit organisations, non-governmental organisations (NGOs), public officials, universities, schools, research organisations, regulatory bodies, or any other third party, are fully informed and comply with these Guidelines.

For information purposes, the **Instruction for Charitable Contributions** can be communicated to any charitable organisation to which Alstom is offering a contribution.

4. Definitions



A charitable contribution is the granting of a donation for a charitable purpose to an organisation. The contribution can be made in funds, in kind or by providing services.

Charitable contributions are commendable ways to be associated with environmental, cultural, educational, welfare or other non-profit making activities.

5. Inherent risks



Charitable contributions can be used to disguise an improper advantage. They can be diverted from the purpose for which they have been made and be used for private gain. This risk is greatest when charitable organisations are controlled by politicians, public agents or their relatives or when a politician or a public official benefits indirectly from the charitable contribution.

Public officials include, but are not limited to:

- public or government officials, agents, employees, or representatives;
- any political party or political party officials, agents, employees or representatives,
- candidates for public or political party office,
- members of public assemblies,
- officials and employees of international organisations,
- judges or officials of international courts,
- government controlled administrations' and state owned companies' employees.

If you are in doubt or have questions about the definition of public officials, ask the Ethics & Compliance department or your Legal department.

A charitable contribution can be or appear as bribery, direct or indirect. A bribe is the obtaining or retaining of business (or other advantages) through the promising, offering or giving of an undue advantage.

Charitable contributions can also raise the issues of conflicts of interest, of fraud, of misuse of company property, and of money laundering, and can damage Alstom's reputation.

6. Principles



Object of the contributions

Alstom is engaged in a dialogue with local and territory-based communities and institutions to better understand their expectations and see how it can contribute to solutions. Charitable contributions can be a solution, when they answer an environmental or social need in local communities and when they are justified by a legitimate charitable purpose.

The object of the charitable contributions must be compliant with the Alstom Code of Ethics. This means that contributing to organisations whose activities are in contradiction with the principles of the Code of Ethics is forbidden.

Examples: promotion of political activities, religious and philosophical proselytism, incitation to violence or racial hatred, or promotion of illicit items such as narcotics, of child or forced labour, of human trade.

Note: sponsorship, tuition fees for a professional association are not considered as charitable contributions.

Nature of the contributions

Contributions can be made through a payment, or a delivery of goods or of services. In case of goods, it is very important to ensure that, like funds, those goods are really used for the purpose of the charitable organisation, and are not subject to any “secondary” trade or fraudulent activity. Furthermore, the quality of goods needs to be aligned with high standards and respecting EHS requirements.

Complying with the laws

Alstom’s reputation for integrity is built on the respect of laws, regulations and other mandatory requirements that apply to the conduct of business in all countries in which it operates.

Value

The amount of the charitable contributions is not ruled by this instruction. It is ruled by the Delegation of Authority (DoA) rules.

In any case, amounts at stake should be judged reasonable in light of the local environment.

Approval

Prior to any funds, goods or services are granted by Alstom, decisions to engage any charitable contribution must be approved according to the applicable Delegation of Authority (DoA) rules. Charitable contributions must be properly documented and recorded.

Transparency

All expenses and receipts related to contributions must be properly recorded in the books according to accounting rules. The use of funds should also be properly monitored and reported by the charitable organisation.

Alstom has to be in a position to publicly disclose charitable contributions. Alstom’s Registration Document / Annual financial report discloses information on charitable contributions. Information related to actions, beneficiaries and budgets are to be communicated to the VP Legal Governance on a yearly basis.

7. Do’s and don’ts



Basic rules

- A contribution cannot be made to individuals or to for-profit organisations in principle.
- A contribution to a charitable organisation cannot be made in order to retain business.
- A contribution to a charitable organisation cannot be a compensation for a service.
- A contribution to a charitable organisation cannot be made upon the suggestion of a public official or for the purpose of influencing a public official.
- A contribution to a charitable organisation cannot be made if you expect any direct business in return.

Selection

- Geographical scope: the charitable organisation or the object of the contribution can only be based in a country where Alstom is present. Carefully select the charitable organisations, based on their experience and reputation and prefer charitable organisations whose accounts are published and regularly audited by an independent body.
- Select charitable organisations upon objectives criteria:
 - Check that the purpose of the charitable organisation is in the public interest and is consistent with Alstom policy
 - Check the integrity of the charitable organisation to ensure that it:
 - is in conformity with applicable laws,
 - enjoys an untarnished reputation and cannot harm Alstom's reputation,
 - does not have a hidden agenda,
 - has the financial and personnel resources to reach its goal,
 - does not create conflicts of interest with Alstom's employees.
 - Check the identity of the charitable organisation's management.
If public officials or their relatives have close interests in the organisation, the charitable organisation should be excluded and you should select another charitable organisation.
 - Check if there are potential conflicts of interest between Alstom employees and the charitable organisation.

Communication

- For information purposes, you can disclose the Alstom Code of Ethics and this **Instruction for Charitable Contributions** to the charitable organisation.
- In case you sign an agreement with the charitable organisation, a compliance statement must be included as an appendix.

Funds

- The charitable contribution must be made against a receipt (funds, goods and services) issued by the charitable organisation and you must have the opportunity to check the use of the funds.
- Cash and cash-like payments are prohibited.
- Payments to private or numbered accounts is prohibited.

Monitoring

For large amounts, it is recommended:

- To establish an agreement with the charitable organisation.
- To transfer the funds in several instalments after checking that each instalment has been properly used. The opportunity to check the use of the funds must be provided by the charitable organisation.
- In case there is a misuse of funds, suspend all payments.

8. Take an ethical decision

- If in doubt or if you have any questions, always seek guidance from the management of the unit and/or from the Legal department and/or from the Ethics & Compliance department.
- Use your common sense.
- Do not make a charitable contribution that might cause a conflict between your personal interests

- and your professional duties.
- Do not make a charitable contribution that could damage Alstom's reputation.

9. Effective date



1 February 2010
Update #1: 1 August 2010
Update #2: 22 December 2010
Update #3: 12 April 2013
Update #4: 1 November 2015

10. Approved by



General Counsel
Chief Compliance Officer
VP Communications
VP Legal Governance

11. Distribution



The **Instruction for Charitable Contributions** must be communicated to all employees, especially those people directly facing situations of charitable contributions. It is available on Altaïr in the Ethics & Compliance section and is included in the Alstom e-Book and is published on the Alstom web site in the Ethics section.