

Free translation of the original French version

Information regarding compensation components of the executive officers of Alstom in the context of the contemplated combination with the Mobility business of Siemens, published in compliance with the AFEP-MEDEF corporate governance code of listed corporations

As part of the contemplated combination between the rail business of Alstom and the Mobility business of Siemens, including its rail traction (the "**Transaction**"), the functions of Chief Executive Officer and Chairman of the Board of Directors of the combined entity, Siemens Alstom, will be split.

The Board of Directors of Alstom, held on May 30, 2018, after having taken note of the recommendations of the Nominations and Remuneration Committee as part of its preparatory work on the governance of the new Siemens Alstom entity, has adopted the following elements regarding the compensation of Mr. Henri Poupart-Lafarge, Chief Executive Officer, and Mr. Roland Busch, Chairman of the Board of Directors, future executive officers of Siemens Alstom.

These provisions are based on the recommendations of the Afep-Medef Code. They are subject to the approval of Alstom shareholders at the 2018 General Shareholders' Meeting and to the completion of the Transaction, in particular following approval by the relevant authorities.

Terms and conditions of office of the Chief Executive Officer

The Chief Executive Officer will not be bound to the Company by an employment contract. Thus, Mr. Henri Poupart-Lafarge has committed to resign from his currently suspended employment contract that binds him to Alstom Executive Management SAS, with effect as from the completion date of the Transaction. He will not receive any indemnity on this occasion. In line with the recommendations of the AFEP-MEDEF Code, the Chief Executive Officer will be no longer bound to the Company other than by his corporate mandate.

The compensation of the Chief Executive Officer will be based on three main elements:

- Fixed compensation;
- Annual variable compensation in cash;
- A long-term incentive in the form of an annual allocation of performance shares.

Fixed compensation

The fixed compensation will be established for several years. It takes into consideration the level and difficulty of related responsibilities, experience in the position, prior seniority in the Siemens Alstom group (if any) and policies found in groups or companies of comparable size or activity.

The annual fixed compensation of the Chief Executive Officer which had not been revalued since February 1, 2016, will thus be increased to € 900,000 as from the closing date of the Transaction, and thus for several years.

Annual variable compensation

The variable portion of the Chief Executive Officer's short-term compensation will represent 100% of the fixed annual gross remuneration if the objectives are strictly achieved. It will be capped, in the event of overperformance, at 170% of his gross annual fixed compensation. No minimum compensation is set. All objectives are pre-established annually by the Board on the proposal of the Nominations and Remuneration Committee based on the strategic priorities defined for the Group and for the executive officer.

This target annual variable compensation will be based on:

- on objectives related to the global performance of Siemens Alstom. These global objectives, all quantifiable, are set for several years and may be reviewed by the Board depending on the evolution of Company strategy. Related targets will be determined by the Board at the beginning of each year.
- on individual objectives related to the effective achievement of specific action plans. These objectives, quantifiable and / or qualitative, will be determined by the Board of Directors at the beginning of each year, depending on the strategic priorities set for the Siemens Alstom group.

Long Term Incentive

Grants are determined by the Board of directors on the recommendation of the Nominations and Remuneration Committee and take into consideration all of the Chief Executive Officer's compensation elements and market practices followed by comparable listed companies.

The general characteristics of the performance share plans granted to the Chief Executive Officer are identical to those offered in all other grants made under the same plan to the Company's management teams. They take into account the recommendations of the Afep-Medef Code and market best practices, particularly regarding the structure of acquisition of the performance shares, the duration of the vesting and performance period, the ceilings and holding requirements.

No exceptional compensation or multi-year compensation is provided for the Chief Executive Officer. He will not receive any directors' fees or any other compensation in his capacity as director of the Company or of any Group company.

The Chief Executive Officer will receive benefits such as company car, supplemental health insurance, life and disability insurance and private unemployment insurance coverage. He will not receive any other benefits in kind whatsoever.

Terms and conditions applicable post-mandate of the Chief Executive Officer

Severance indemnity

The Chief Executive Officer will not receive any severance indemnity at the end of his mandate.

Non-competition covenant

Given the duties entrusted to him, the Chief Executive Officer has entered into a firm and irrevocable non-compete covenant which will apply from the date of completion of the Transaction, aiming at protecting the interests of the Company at the end of his mandate. This non-compete covenant is limited to a period of two years from the date of termination of the Chief Executive Officer's office.

In exchange for this covenant, the Chief Executive Officer shall receive a total gross indemnity equal to two times his average gross annual fixed and variable compensation, excluding performance shares, received over the three fiscal years prior to the termination date of his mandate, this indemnity being paid monthly, in twenty-four equal payments, over the non-competition covenant period.

This commitment is subject to the related party agreements procedure and will therefore be submitted to the shareholders' vote at the 2018 Shareholders' General Meeting.

Retention conditions of the performance shares under vesting period

In the event of revocation, the Board of Directors of the Company will assess, in due course, whether the Chief Executive Officer may retain, in whole or in part, the benefit of his rights to the acquisition of performance shares granted in the context of plans still subject to performance conditions, subject to binding limits (no early vesting, *pro rata temporis*, maintaining of performance conditions ...) detailed in the report of the Board of Directors.

Supplementary Pension plans

The Chief Executive Officer will continue to benefit from two supplementary defined contribution pension plans, known as "Article 83" and "Article 82" of the French General Tax Code, which will not be modified on completion of the Transaction.

Special case of Mr. Henri Poupart-Lafarge regarding supplementary retirement.

Since 1 January 2004, as an employee of the Company, Mr. Henri Poupart-Lafarge benefitted from a defined benefits pension plan under "Article 39" of the French general tax code. As of 31 December 2016, this plan was terminated and the related accrued pension entitlements were frozen as previously authorized by the Board of Directors on November 8, 2016 and approved by the General

Shareholders' Meeting of July 4th, 2017. The rights accrued over the period from 1 January 2004 to 31 December 2016, the date on which they were frozen, amounts to, as of 31 March 2018, an annual pension of €176,000 (in constant euros) subject to a condition of presence at the time the Chief Executive Officer asserts his rights to retire.

Given the intention of Mr. Henri Poupart-Lafarge to terminate his employment contract as from the completion date of the Transaction and at the latest at the end date of its current Director's mandate in 2019, in order to comply with the AFEP-MEDEF Code's recommendations and the market best practices, given the definitive acquisition of entitlements under the "Article 39" defined benefits pension plan as part of his employment contract (under a presence condition in the Company at the time of his retirement), the Board of Directors, on the proposal of the Appointments and Remuneration Committee, has decided:

- to definitely closeout this pension plan as of the completion date of the Transaction; and
- to offset the loss of the entitlements acquired between January 1, 2004 and December 31, 2016 through the recognition of a balance payment on the defined contribution pension plan "Article 82", to be paid annually in thirds over three years, beginning the first anniversary of the completion date of the Transaction, and subject to the Chief Executive Officer's presence within the Company, at each date on which payment of the amount falls due. The value of this balance payment, assessed by the consulting actuary of the Company, amounts, at the present date, to a gross sum of €3.375.000. This balance will be subject to social security contributions and taxes according to applicable law on each payment. The balance amount includes a 20% discount, saving for the Company, compared to the value of its commitments (not including tax) in order to take into consideration the impact of the transformation of entitlements submitted to presence requirements into a definitively acquired pension capital, i.e. an overall saving of €1,174,194 for the Company.

The payment of a balance over three years, as assessed by the consulting actuary, subject to a presence condition, will neither be a new benefit nor a supplemental pension plan for the Chief Executive Officer but a simple transformation of the nature of his pension scheme.

As for all of the amounts paid under the "Article 82" pension plan, Mr. Henri Poupart-Lafarge committed, after payment of the related social security and tax obligations, to maintain these amounts under this pension plan, at least until the end of his mandate as Chief Executive Officer.

Terms and conditions of office of the Chairman of the Board

The Chairman of the Board will only be granted a fixed yearly remuneration amounting to € 300,000. He will not receive director's fees in his capacity as director of the Company.

However, Dr. Roland Busch performing his mandate as part of the missions allocated to him as member of the Managing Board of Siemens AG, and subject to the approval of its appointment by the General Shareholders' Meeting, will not receive any compensation from the Company.