



## **INTERNAL RULES OF THE AUDIT AND RISKS COMMITTEE**

(as amended by the Board of Directors on 7 May 2024  
effective from 20 June 2024)

### **1. Membership**

The Audit and Risks 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 Board member. 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 Board member must chair the Committee. The criteria according to which a Board member'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, accounting matters or legal audit and be independent.

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

### **2. Missions**

Acting under the authority of the Board of Directors, the general mission of the Committee is to assist the Board of Directors in overseeing issues relating to the preparation and control of accounting and financial information and of sustainability information.

The Committee is especially in charge of the following missions:

- i. It follows the process of preparing financial disclosures and sustainability disclosures, including in digital form as provided for by Article 29 d of Directive 2013/34/EU, and the process implemented to determine the information to be disclosed in accordance with sustainability reporting standards adopted in application of Article 29 c of that Directive. Where appropriate, it makes recommendations to ensure the integrity of these processes;
- ii. It monitors the effectiveness of internal control and risk management systems, as well as internal audit, with regard to procedures relating to the preparation and processing of accounting and financial information, sustainability information, including in digital form, without prejudice to its independence;
- iii. It makes a recommendation to the Board of Directors on the External Auditors proposed for appointment by the General Meeting, in the context of a mission of certification of accounts or sustainability information, and, where applicable, on the independent third-party body(ies) responsible for a sustainability information certification mission. For the certification of accounts mission, this recommendation shall be prepared in accordance with the provisions of Article 16 of Regulation (EU) n° 537/2014 and the Committee issues a recommendation to the Board of Directors when the renewal of

the term of office of the External Auditor(s) is envisaged under the conditions defined in Article L.821-45 of the French Code of Commerce. It also makes a recommendation to the Board of Directors on the amount of fees that the Company proposes to pay them;

- iv. It monitors the performance of auditing and certification of sustainability information missions; in this context, it takes into account the findings and conclusions of the High Authority for Audit ("*Haute Autorité de l'Audit*") following the controls carried out pursuant to Articles L.820-14 and L.820-15 of the French Code of Commerce;
- v. It shall ensure compliance with the conditions of independence required of the parties involved in the performance of the missions of certification of accounts and certification of sustainability information; it shall, where appropriate, take the measures necessary for the application of paragraph 3 of Article 4 of Regulation (EU) n° 537/2014 and ensure compliance with the conditions referred to in Article 6 of that Regulation;
- vi. It approves the provision of the services mentioned in Article L.821-30 of the French Code of Commerce.

The Committee especially monitors: (i) the regularity, truthfulness and fair view given by the financial statements of the Company and other related financial or sustainable information or reports communicated to the shareholders, the public and stock exchanges authorities; (ii) the Company's compliance with applicable legal and regulatory requirements related to financial and sustainable information..

In fulfilling its role, the Committee is among others 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 of Directors for approval as well as the additional report by the External Auditors in charge of certifying the accounts and to discuss them with Management and the External Auditors;
- To review with Management and the External Auditors the generally accepted accounting policies and procedures used in the preparation of the accounts, as well as the different accounting treatments, and any changes which would be brought to the Committee's attention by the External Auditors, inter alia, to those accounting policies, methods and rules, and to ensure their appropriateness. The External Auditors who carry out a certification mission of sustainability information and the independent third-party body(ies) shall also inform the Committee of any changes that they consider necessary to be made to the sustainability report, making any relevant observations on the valuation methods used for their preparation;
- To examine with the External Auditors, and where applicable, the independent third party, the nature, scope and results of their audit and work carried out, their observations, suggestions, modifications that they consider necessary to be made to the elements subject to their control, irregularities and inaccuracies that they may have discovered in the course of their missions or services, as well as the conclusions to which the observations and corrections lead on the items relating to the period concerned compared with those of the previous period. In this context, the External Auditors shall inform the Committee of significant weaknesses in internal control with regard to the procedures relating to the preparation and processing of accounting and financial information. Where appropriate, they shall also bring to the attention of the Committee, as well as the independent third party, material weaknesses in the internal control with regard to the procedures for the preparation and processing of sustainability information;
- 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 among others, legal risks and those of a social and environmental nature) 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 accounting and financial information and of sustainable 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, among others, receive the opinion of the Ethics and Compliance Committee on the risk map concerning ethics and compliance 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 of which Charteris brought to its attention; the Committee approves the internal audit program, monitors its development and the results of its plans of action;
- To review, on an annual basis, the amount of the fees paid by the Group to the networks to which such External Auditors or independent third party belong, including fees that relate to non-audit service fees or certification of sustainability information as authorized by Regulation (EU) n°537 / 2017 of 16 April 2014 and French law. Details of services and missions provided may be communicated to the Committee on its request

It acts in coordination with the other Committees, in particular on sustainability topics related to the remuneration of executive corporate officers and on ethics and compliance risks, relying, where appropriate, on the cross-participation of members on the relevant Committees.

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 Chair or the Chair 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 Chair of the Committee shall appoint a Secretary of the Committee.

The Chairman of the Board of Directors may, on his initiative, attend meetings of the Committee in an advisory capacity. It may also consult the Committee on any matter within its competence.

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, to allow the Committee's members to carry out their review.

The Committee may meet the Chief Financial Officer, the General Counsel, the Head of Accounting, the Head of Controlling, the Head of Internal Audit and Internal Control, the Head of Treasury, the Head of CSR and other senior officers of the Group it may deem necessary, under the conditions it sets forth and, if it deems necessary, without the presence of Management.

The Committee hears the External Auditors without the presence of Management and any other senior officer of the Group according to a frequency it determines.

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 Chair of the Committee will cast the deciding vote.

The minutes of Meetings shall be prepared by the Secretary of the Committee for approval of the Chair 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 Chair of the Committee or the member designated by the Committee when the Chair is unable to attend shall, reports regularly to the Board of Directors on the performance of its missions. It also reports on the results of the missions in respect of the certification of accounts and sustainability information and on the way these missions contributed to the integrity of financial and sustainability reporting. It reports on the role it played in this process. It shall inform the Board of Directors without delay of any difficulties encountered.

A formal and externalized evaluation of the functioning of the Committee is done at least once every three years and, in any case, the Board of Directors dedicates once a year an item of its agenda to the review of its functioning and the one of all the Committees.

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

A summary of the activity of the Committee during the elapsed year is included in the Company's Corporate Governance report ("*Rapport sur le Gouvernement d'Entreprise*") and is presented to the General Meeting.

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