



## INFORMATION REGARDING COMPENSATION COMPONENTS OF THE CHAIRMAN AND CEO OF ALSTOM

### Compensation policy for the 2020/21 fiscal year

During its meeting held on 22 September 2020, Alstom Board of Directors acknowledged the recommendations of the Nominations and Remuneration Committee and set the following elements related to the global remuneration of Mr. Henri Poupart-Lafarge, Chairman and Chief Executive Officer of Alstom **subject to the vote of the 29 October 2020 Combined Shareholders' Meeting.**

Within the framework of the acquisition project of Bombardier Transportation, the 29 October 2020 Combined Shareholders' Meeting will be asked to approve the modification of the compensation policy applicable to the Chairman and Chief Executive Officer as presented in Chapter 5 of the Company's 2019/20 Universal Registration Document, in the section entitled "Guiding principles of the compensation policy applicable to corporate officers / Compensation policy applicable to the Chairman and Chief Executive Officer".

Thus and in order to fully align the compensation of the Group executive officers with the sustainable success of the integration of the new group, and to reflect the transformational nature of this operation, the compensation policy of the Group will provide, subject to its approval by the 29 October 2020 Combined Shareholders' Meeting, **an exceptional compensation** to the benefit of the Chairman and CEO (and of other officers and key contributors within the Group) which will be implemented after and subject to the closing of the acquisition.

This exceptional compensation will be exclusively composed of performance shares associated with a four-year acquisition period and their definitive vesting will be fully subject to performance conditions (internal and external) assessed in their entirety at the end of this acquisition period.

These conditions will be determined by the Board of Directors, on recommendation of the Nominations and Remuneration Committee, on the basis of demanding criteria taking into account the consolidation perimeter of the new group, reflecting the long-term success of the integration of Bombardier Transportation (such as operational and financial turnaround of main BT projects already identified by Alstom as presenting some issues in terms of execution or delivery to clients, achievement of synergies, TSR or EPS accretion) and of which triggering thresholds will be set at the level of the objectives as announced by Alstom in its 17 February 2020 and 16 September 2020 press releases. These conditions will also be defined so as to avoid a duplication of the objectives targeted in the other variable compensation schemes.

As a consequence, the definitive vesting of these shares, which is potential and non-guaranteed, is fully based on performance conditions measuring the success of the integration of the new group, assessed over several years.

Furthermore, due to its exceptional nature, this grant will not count against the limits currently applicable to the long-term variable compensation of the Chairman and CEO as defined by the 2020/21 compensation policy or by the 2021/22 compensation policy. The IFRS value (which is used to establish the Group's consolidated statements) of this exceptional grant could not exceed 100% of the annual fixed short-term compensation of the Chairman and CEO (€850,000).

The shares granted and vested under this exceptional plan are subject to the same holding requirement and prohibition on hedging instruments as provided for the long-term variable compensation and defined in the 2020/21 compensation policy. In addition, if the Chairman and Chief Executive Officer leaves the Company, the



retention of these shares will be subject to the same conditions and limits as the ones described in the 2020/21 compensation policy.

This compensation which is strictly related to the acquisition as mentioned above is not recurring and is not intended to be replicated in the compensation policy of the coming fiscal years.

In order to broadly associate the employees to this future operation, this exceptional compensation could be completed by a free share allocation plan targeting the whole population of employees (excluding the beneficiaries of the aforementioned exceptional compensation), within the limits and the frame defined by the authorization approved by the General Assembly of Shareholders on 10 July 2019.