

Board of Directors Release
following the ALSTOM annual General Meeting of 5 July 2016

9 November 2016 – At the Alstom Shareholders' Meeting convened on 5 July 2016, the ALSTOM shareholders, acting in an advisory capacity, did not provide majority approval of resolution 7 regarding the elements of remuneration received by Mr. Patrick Kron for the 2015/16 fiscal year until the end of his term as Chairman and Chief Executive Officer of the Company on 31 January 2016.

The Company has enquired into the reasons for this negative opinion after the principles and the calculation methods had been approved to a very large extent by the Shareholders Meetings held on 1 July 2014 and on 30 June 2015 (respectively at 97% and 87%). It appeared that:

- The French State's negative vote reflected in particular its disagreement on the grant of an exceptional conditional remuneration linked to the sale of the Energy activities to General Electric. The French State holds 20% of the shares of the Company, through a share loan, only since 1 February 2016, which was after the departure of Mr. Kron, and was not, as a result, part of the Shareholding Meetings that approved this remuneration (corresponding to a market value of 150,000 shares).
- Some shareholders have expressed a negative view considering that the calculation of the variable part of the remuneration had been made on a discretionary basis by the Board of Directors and, particularly that the financial and personal performance factors were modified for the last two years of the term of Patrick Kron.

The Board of Directors of the Company, which met on 8 November 2016, has noted that:

- The variable remuneration is a part of the remuneration plan and the adaptations to the calculation of the variable remuneration implemented for the fiscal year 2014/15 and unchanged since reflected the Board's view of the exceptional conditions created by the project of divestment of the Energy activities and the importance of the transaction.
- The payments to Mr. Kron were made after approval by shareholders at both the 2014 and 2015 meetings, and after the High Committee of Corporate Governance had been consulted and had approved, on 24 October 2014, the exceptional conditional remuneration paid to Mr. Patrick Kron.
- All the sums have been paid to Mr. Patrick Kron and the negative vote does not affect the legality of the payments. Furthermore, the Company has no further commitments towards Mr. Patrick Kron since his departure of the Company the 31 January 2016.

In this context, the Board of Directors has noted that beyond the analyses exposed here above, there is no action to be taken in relation with the negative opinion expressed on 5 July 2016 regarding the situation of Mr. Patrick Kron.

About Alstom

As a promoter of sustainable mobility, Alstom develops and markets systems, equipment and services for the railway sector. Alstom manages the widest range of solutions in the market – from high-speed trains to metros and tramways – customised services (maintenance, modernisation,...) and infrastructure and signalling solutions. Alstom is a world leader in integrated railway systems. It recorded sales of €6.9 billion and booked €10.6 billion of orders in the 2015/16 fiscal year. Headquartered in France, Alstom is present in over 60 countries and employs 31,000 people today.

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