

The compensation policy for the members of the Board of Directors for 2022/23 includes all the rules applicable to them for the financial year 2021/22 as approved by 99.87% by the General Meeting of 28 July 2021 (10th resolution).

In the event of the appointment of a new corporate officer, the compensation policy applicable to him or her (that of the Chairman and Chief Executive Officer or that of the members of the Board of Directors), as described below, will be implemented, with the necessary adaptations if necessary.

Compensation policy applicable to members of the Board of Directors

1. General principles and criteria for distributing the amount allocated to members of the Board of Directors by the General Meeting

In accordance with the resolution passed by the shareholders at the Combined General Meeting of 1 July 2014, the annual compensation package for the members of the Board of Directors was set at €1,300,000 until further resolution by the meeting.

The principles governing the compensation of members of the Board of Directors are described in the Board's internal rules.

Thus, the distribution is based on a fixed part and a predominantly variable part, proportional to the participation of the Board members in the Board and Committee meetings. The Chairs of the Committees and the lead director receive an additional fixed amount. Half of the fixed and variable portions of compensation are paid during the current fiscal year and the other half in the subsequent fiscal year.

The rules of allocation, decided by the Board of Directors, provide that the fixed part is, since the fiscal year 2021/22, allocated among the members of the Board of Directors at a fixed amount of €30,000 per director, plus an additional €20,000 for the Chair of the Audit Committee and €15,000 for the Chairs of the other Board Committees. The variable portion consists of €4,000 for attending the meetings of the Board and €3,500 for attending the meetings of the Committees. In addition, the additional annual amount allocated to the lead director was set at €30,000 by the Board of Directors.

This compensation policy applies to all Board members, including those representing employees, with the exception of the Chairman and CEO who does not receive any compensation related to his position as a Board member. If an observer is designated to attend Board of Directors' meetings, he/she does not receive any compensation.

2. Compensation policy in respect of the 2022/23 fiscal year

For the 2022/23 fiscal year, members of the Board of Directors (other than the Chairman & Chief Executive Officer and the observer) will receive:

- a fixed annual compensation of €30,000;
- a variable compensation of €4,000 per Board meeting which the Board member attended;
- a variable compensation of €3,500 per Committee meeting which the Board member attended.

The fixed amounts are increased each year by €20,000 for the Chair of the Audit Committee and by €15,000 for each of the Chairs of any other Committee.

The lead director receives a fixed additional compensation of €30,000 per year.

In addition, Board members are reimbursed for the expenses incurred in connection with their duties, notably travel and accommodation expenses.

The Board of Directors also includes two members representing the employees, who have a permanent employment contract with the Company and receive compensation as such. The notice periods and conditions for revocation or termination applicable to them are the conditions of ordinary law.

In accordance with Article L. 22-10-8-II of the French Commercial Code, the compensation policy of the members of the Board of Directors will be the subject of a resolution submitted to the vote of the 2022 General Meeting called to approve the accounts for the financial year 2021/22.

Compensation policy applicable to the Chairman & Chief Executive Officer

1. General Principles

Mr Henri Poupart-Lafarge has been Chairman and CEO of the Alstom Group since 1 February 2016. His current term of office was renewed for a four-year term by the General Meeting held on 10 July 2019. Since such General Meeting, Mr Henri Poupart-Lafarge is no longer bound to the Company or to any other Group company by an employment contract.

The compensation policy applicable to the Chairman & Chief Executive Officer applies to the current Chairman & Chief Executive Officer, Mr Henri Poupart-Lafarge, and to any new executive director who may be appointed. Dictated by the guiding principles described above, this policy seeks to support the Company's strategy and to align the Chairman & Chief Executive Officer's interests with those of the shareholders and with stakeholders' expectations. In particular, the policy includes the following points, which were approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee:

- greater weight given to variable elements, in a "pay-for-performance" approach where performance criteria are strictly aligned with the Group's strategic priorities (including societal and environmental priorities);
- a significant portion of compensation is based on the long term (minimum period of three years);
- compensation for overperformance (which is capped, however);
- no exceptional compensation.

In order to set the Chairman & Chief Executive Officer's overall compensation and the level of its various components, the Nomination and Remuneration Committee issues recommendations that are supported by market studies from independent specialised firms (which enables a comparison with similar functions within, in particular, CAC 40 and SBF 120 companies to be made), but that also take care to maintain consistency with the internal practices applicable to Alstom's other senior executives and managers.

The various components of the Chairman & Chief Executive Officer's total compensation are as follows:

Fixed compensation

Fixed compensation is intended to recognise the significance and wide scope of the Chairman & Chief Executive Officer's responsibilities and his experience. This fixed compensation is set for a minimum period of two years, except in the case of a significant change in the scope of the Chairman & Chief Executive Officer's responsibilities or a substantial change in macro-economic conditions.