



INFORMATION REGARDING COMPENSATION COMPONENTS OF THE EXECUTIVE CORPORATE OFFICER OF ALSTOM

At its meeting **held on 9 May 2023**, Alstom Board of Directors acknowledged the recommendations of the Nominations and Remuneration Committee and set the following elements related to the compensation of Mr. Henri Poupart-Lafarge, Chairman and Chief Executive Officer of Alstom.

Annual variable compensation of Mr. Henri Poupart-Lafarge for the 2022/23 fiscal year

At its meeting held on 9 May 2023 and on the proposal of the Nominations and Remuneration Committee, the Board of Directors found that:

- For **the collective objectives**, all quantifiable and based on seven performance criteria measured over a full year:
 - Free cash flow,
 - Adjusted EBIT,
 - Gross margin on orders received,
 - The rate of reported accidents with and without time off work,
 - The rate of completion by managers of the annual integrity questionnaire,
 - The percentage reduction in greenhouse gas emissions in the group's operations (scope 1 & 2),
 - The percentage of management positions held by women,

their achievement was assessed at **89.6%** for a target level of 60% and a cap of 120% as shown in the table enclosed infra:

	Target	Cap	Performance level for the fiscal year	Achievement level for the fiscal year	Amount corresponding to the level of achievement (in €)
COLLECTIVE OBJECTIVES	60%	120%			
Free cash-flow	20%	40%	€199 million	26.6%	252,700
Adjusted EBIT	15%	30%	€852 million	20.2%	191,948
Margin on orders received	9%	18%	Confidential ⁽¹⁾	18%	171,000
Rate of reported accidents with and without time off work	4%	8%	1.8 accidents per million hours worked	4% ⁽²⁾	38,000
Rate of completion by managers of the annual integrity questionnaire	4%	8%	99% of managers completed the questionnaire ⁽³⁾	8%	76,000
Percentage of management positions held by women	4%	8%	23.9% women in the executives & professionals category ⁽⁴⁾	4.8%	45,600
Percentage reduction in greenhouse gas emissions (scope 1 & 2)	4%	8%	5% ⁽⁵⁾	8%	76,000
2022/23 OVERALL ANNUAL PERFORMANCE				89.6%	€851,248

(1) The Board of Directors believes that the margin on orders received is an extremely relevant indicator of how the business is conducted by the company's Executive Corporate Officers because it reflects the strategic determination to focus on projects with the best prospects of being profitable. However, as this indicator is highly sensitive from a competition standpoint and so as not to provide competitors with strategic information, the Board was of the opinion that publicly disclosing the Company's objectives and performance in this area would harm the Company's interests.

(2) Due to deaths that occurred in fiscal year 2022/23, the level of achievement noted by the Board of Directors for this performance criterion was capped at 100%.

(3) The Company's objective was to have at least 90% of the managers for whom the questionnaire was intended (more than 2,500 people) complete it. The maximum level is considered achieved when 95% of the target population completed it.

(4) The Company's objective was to have 23.8% of the Group's management positions held by women (executives and professionals category) by the end of March 2023. The maximum performance level is considered achieved if this percentage reaches or exceeds 24.3%.

(5) The Company's objective was to achieve an absolute reduction in the Group's scope 1 & 2 greenhouse gas emissions (in kt CO₂) (emissions from energy consumption at permanent sites and direct emissions at mobile sites) of 2.5% compared to a reference for fiscal year 2021/22. The maximum performance level is considered achieved if this percentage reaches or exceeds 5%.

- For the **objectives specific** to the Chairman and Chief Executive Officer, their achievement was assessed at **40%** for a target level of 40% and a cap of 50%.

	Comment	Target	Achievement level for the fiscal year	Amount corresponding to the level of achievement (in €)
OBJECTIVES SPECIFIC TO THE CHAIRMAN AND CEO		40%		
Strategy	<p>The objective set by the Board of Directors was to have a strategic roadmap redefined, including the Group's commercial, operational, CSR and footprint components.</p> <p>The Board of Directors, having considered the following factors:</p> <ul style="list-style-type: none"> • the strategic roadmap has been defined, including all of its components, and has been reviewed by the Board of Directors; • the activity portfolios of the product lines and their implementation strategies have been reviewed; • the CSR objectives have been defined and the corresponding roadmap has been initiated; • the definition of the 10-year strategic plan by the general management and its review by the Board of Directors are scheduled for 23/24. <p>found that this objective was achieved at 80%.</p>	12%	9.6%	91,200
ONE Alstom	<p>The objective set by the Board of Directors was to continue the actions related to the Group's organisation (including strengthening the culture, implementing the AIM 2025 strategy and rolling out the necessary IT solutions and tools) and talent management (by strengthening the talent pools and the management team's succession plans).</p> <p>The Board of Directors, having considered the following factors:</p> <ul style="list-style-type: none"> • the values of the Group and the understanding of its strategy are rightly distributed, as demonstrated by the annual engagement survey; • IT tools and solutions are being implemented in line with the predefined schedule; • voluntary attrition has been stabilized and Group headcount has been increased to support the right execution of its projects; • the strengthening of the management's team is scheduled for 23/24. <p>found that this objective was achieved at 80%.</p>	8%	6.4%	60,800

New economic environment	<p>The objective set by the Board of Directors was to develop action plans and measures aimed at adapting the Group's policies, tools and practices in order to cope with major economic challenges (inflation, supply of components and geopolitical crises).</p> <p>The Board of Directors, having considered the following factors:</p> <ul style="list-style-type: none"> • a wide array of measures has been successfully deployed, aiming at mitigating and controlling the impacts of inflation on the contracts of the Group; • systemic actions have been taken in order to mitigate the risks relating to supply of components and to avoid supply chain disruptions, due to sanitary and geopolitical contexts; • no material production delays have been recorded due to these external factors; • 76% of new contracts and 72% of backlog are assorted with Contract Price Adjustment clauses linked to inflation. <p>found that this objective was achieved at 120%.</p>	12%	14.4%	136,800
Customer relations	<p>The Board of Directors, having considered the following factors:</p> <ul style="list-style-type: none"> • the commercial momentum of the Group has been confirmed for all of its regions (including Signalling activities); • Gross Margin on order intake has positively evolved; • the book-to-bill ratio has reached 1.2 for the Group (as well as for its Signalling activities). <p>found that this objective was achieved at 120%.</p>	8%	9.6%	91,200
2022/23 OVERALL ANNUAL PERFORMANCE			40%	€380,000

The Board of Directors therefore determined, at its meeting of 9 May 2023, that Mr. Henri Poupart-Lafarge's variable remuneration for fiscal year 2022/23 was **€1,231,248**, corresponding to **achievement of his objectives at 129.6%**, payment of this remuneration being subject to the positive vote of the shareholders at the 11 July 2023 AGM.

Remuneration policy of Mr. Henri Poupart-Lafarge for fiscal year 2023/24

At its meeting held on **9 May 2023**, Alstom Board of Directors decided that the structure of the remuneration policy applicable to the Chairman and Chief Executive Officer would remain **identical** to the policy approved by the shareholders by 94.19 % at the 12 July 2022 AGM (8th resolution) and would apply to Mr. Henri Poupart-Lafarge at the outcome of the 11 July 2023 AGM once renewed in his functions as Chairman and Chief Executive Officer.

Long-term equity compensation

The 9 May 2023 Board of Directors, acting pursuant to the authorization granted by the Shareholders' Meeting of 28 July 2021 (17th resolution), having taken note of the recommendations of the Nominations and Remuneration Committee, decided to **grant on 9 May 2023 a long-term incentive plan ("PSP 2023")**, benefiting 1,471 people, including Alstom's Chairman & Chief Executive Officer.

This grant will be subject to approval as part of the fixed, variable and exceptional components of remuneration making up the total remuneration of the Chairman and Chief Executive Officer at the Annual Shareholders' Meeting in 2024 called to approve the financial statements for the fiscal year ended 31 March 2024.

The grant to the Chairman and Chief Executive Officer relates to a target number of 50,667 shares, which may vary between 0 and 76,000 shares (in the event of overperformance) depending on the level of achievement of the performance conditions. The IFRS 2 valuation and the calculation of the cap on performance shares granted were established based on the maximum number of shares that may be fully vested at the end of the performance period. Based on the cap on shares granted, this maximum grant represents 0.02% of the share capital at 9 May 2023.

This plan makes the full vesting of all the shares granted to all the beneficiaries (2,439,122 shares, i.e.0.64% of the capital at 9 May 2023) conditional on the fulfilment of five performance conditions:

- **Four internal performance conditions** measured in terms of the level of achievement of:
 - The Alstom Group's adjusted EBIT margin objective set by the Board and assessed at the end of fiscal year 2025/26. This indicator represents 25% of the total performance conditions;
 - The free cash flow objective for fiscal year 2025/26. This indicator represents 25% of the total performance conditions;
 - The 2025/26 objective of reducing the energy consumption of solutions offered to customers (with reduction defined as the average of the reduction percentages) set by the Board and assessed at the end of fiscal year 2025/26 compared with those offered before March 2014. This indicator represents 15% of the total performance conditions, and
 - The 2025 objective for the engagement score of Alstom employees as measured through the annual internal engagement survey. This indicator represents 15% of the total performance conditions.

- **A relative performance condition**, which is based on the performance of the Company's share calculated relative to the performance of the STOXX[®] Euro Industrial Goods & Services index and assessed over a period of three years ending at the close of fiscal year 2025/26. This indicator represents 20% of the total performance conditions.

On the recommendation of the Nominations and Remuneration Committee, the Board of Directors:

- Maintained the exclusion of any vesting of performance shares if the growth in the Company's TSR is less than that of the index's TSR;
- Aligned the "target" objectives of the adjusted EBIT margin and free cash flow conditions with the Group's new objectives;

- Wished to maintain and strengthen the conditions for assessing the Company's performance in terms of environmental, social and governance commitments by extending a performance condition based on the decarbonisation of solutions offered by Alstom and a performance condition based on the measurement of the engagement score of the Group's employees over the long term. The combined weight of these two conditions results in an increase in the weight of criteria related to environmental and social factors in the mix of objectives on which the Company's long-term incentive is based.

In line with the remuneration policy applicable to the Chairman and Chief Executive Officer, the IFRS 2 value of the grant, i.e. €1,359,940 (€1,376,749 for PSP 2022) is lower than the beneficiary's target fixed and variable remuneration for one year. The Board of Directors ensured that the IFRS value of the grant to the Chairman and Chief Executive Officer was significantly lower than the cap authorized by the policy.

Subject to approval of the 2023/24 remuneration policy for the Chairman and Chief Executive Officer by the 2023 Shareholders' Meeting called to approve the financial statements for fiscal year 2021/22, the Board of Directors may decide to cancel all or some of the performance shares not yet fully vested by the Chairman & Chief Executive Officer in the absence of implementation of the clawback clause, during the vesting period of said performance shares.

Finally, the Board confirmed its commitment, in the event of a major change in the Group's strategy or structure, to adapt these performance conditions to new issues that emerge in the coming years, as regards the nature of the conditions and the results to be achieved, while continuing to set strict conditions and remaining transparent about these changes.

The Chairman and Chief Executive Officer has made a commitment to refrain from using hedging instruments on all performance shares during the entire term of his directorship.

The details concerning the compensation of the executive corporate officer will be included in the 2022/2023 Universal Registration Document.