

ALSTOM Defined Contribution Pension Trustee Limited
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<Name>

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11 May 2012

Dear <Name>

Alstom Defined Contribution Plan (the Plan)

Decision to Wind up the Plan

I am writing on behalf of the Trustee to let you know that ALSTOM Ltd has given formal notice to the Trustee that it will cease contributing to the Plan with effect 30 June 2012 and has therefore asked the Trustee to commence wind-up of the Plan from 1 July 2012. The Trustee has agreed to this request and will write to members in early August explaining the potential options which are available to secure the benefits held in the Plan.

Why is the Plan being wound up?

Alstom will cease contributing to the Plan with effect from 30 June and will introduce a new harmonised Group Personal Pension Plan with effect from 1 July 2012. As a result the Plan will no longer receive contributions on behalf of current employees and from 1 July 2012 there will be no active membership and all members will be deferreds. The Company has asked the Trustee to wind up the Plan and to secure benefits outside of the Plan. The Trustee has agreed to the Company's request.

Life cover

As a consequence of this decision, life cover for current employees will cease to be provided from the Plan from the end of 30 June 2012. The Company have advised us that there will be an immediate, and seamless, transition to life cover provided from a new plan called the ALSTOM Ltd Group Life Assurance Scheme (GLAS). Like the Plan, the life cover provided by the GLAS will be insured with a reputable life office Group. This means that current employees who do not opt-out of joining the Group Personal Pension Plan will continue to receive at least the same level of life cover currently provided under the Plan.

Vacancies for Member Nominated Directors

As a result of the winding up of the Plan, there will be three vacancies for Member Nominated Directors (MNDs) on the Board of ALSTOM Defined Contribution Pension Trustee Limited (the "Trustee").

The Trustee is a company that holds assets for the beneficiaries of the Plan. The Directors of the Trustee are responsible for ensuring that the Plan is run properly.

The Trustee Board consists of seven Directors, four of whom are nominated directly by ALSTOM Ltd and three of whom are nominated and selected by the members of the Plan.

The current MNDs are Paul Naughton, Phil Derges and Mike Atkin. Paul and Phil were elected for a term of office ending on 31 October 2012 and Mike was elected for a term of office ending on 31 March 2015.

Reason for the vacancies

Following the commencement of the winding-up of the Plan on 1 July 2012 all active members of the Plan will become deferred members. Under the current MND arrangements, an MND's term of office will cease if he ceases to be an 'active' member of the Plan. This means that the current MNDs' terms of office will all cease prematurely on 30 June 2012.

The Trustee Board wish to seek nominations for the three MND positions, with the successful candidates' serving from 1 July 2012 until the end of the winding up process. The winding-up is expected to be completed by the end of 2012.

Under the nomination and selection process it is possible for an existing MND whose term of office expires to stand for re-election. **The current MNDs are all proposing to stand again.**

Nominations and Term of office

Each member who puts themselves forward as a MND, must be making, either in their own right or by salary sacrifice, contributions to the Plan at the date of nomination and on 30 June 2012, when the Plan commences wind-up.

The term of office will end when the winding up of the Plan is complete.

The MND's term of office will not end when the MND becomes a deferred member or ceases to be a deferred member because his benefits have been transferred out to another arrangement, but it will end if the MND ceases to be an Alstom employee. Otherwise MNDs may only be removed by agreement of all the other Directors.

Training and time commitment

New Directors are asked to pass the Pensions Regulator's online trustee toolkit. Regular training is also required for all Directors to enable them to carry out their role effectively. It is recommended that before applying, you discuss with your line manager the likely time commitment it will involve to be a trustee. You will need to attend Trustee meetings and sub-committee meetings and be available to participate in discussions and make decisions throughout the remainder of the year. You should expect to spend between 12 and 15 days working on Trustee issues if the winding-up of the Plan is completed by the end of 2012.

Nominate yourself

If you would like to be considered for election you must return a completed nomination form to Louise Mills, Alstom Pensions Department, no later than 31 May 2012. You must have the support of two other **active** members of the Plan. Please contact me for a nomination form if you would like to stand for election as an MND.

Selection process

In the event that more than three valid nominations are received, a ballot of the **active and deferred** members of the Plan will be arranged to select three MNDs. In this situation the three candidates with the highest number of votes will be selected and, if another vacancy for a MND arises before the Plan has wound up then the candidate who polls the fourth highest number of votes will be selected to be a MND (subject to the candidate still being an Alstom employee). This member will be known as the 'reserve MND'. In the event that a further vacancy arises before the Plan wind-up is complete, then a new election process will be undertaken.

If only three valid nominations are received, those candidates will automatically be selected as a MND. If fewer than three valid nominations are received a further nomination and selection process will be held approximately 9 months from now to fill the vacant position(s) if the winding up of the Plan has not been completed.

Where can I get more information?

You can obtain further information on the role of a trustee at www.thepensionsregulator.gov.uk. You may also wish to look at the first module of the Pensions Regulator's e-learning programme which covers trust law, and gives a flavour of what it is like to be a Director. You can access this by going to www.trusteetoolkit.com/arena/index.cfm

If you do not have access to the Internet you can obtain a copy of the Pensions Regulator's 'Guidance for Trustees' booklet from the Pensions Department.

If you have any questions regarding the winding-up or your benefits or would like to discuss the role of trustee director and its responsibilities, please feel free to call me.

Yours sincerely



Louise Mills
Secretary to the Trustee
of the Alstom Defined Contribution Plan

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