

ALSTOM Limited

- and -

ALSTOM Controls Limited

- and -

ALSTOM Defined Contribution

Pension Trustee Limited

DEFINITIVE TRUST DEED

- relating to the -

ALSTOM Defined Contribution Plan

**WE HEREBY CERTIFY THAT THIS IS
A TRUE COPY OF THE ORIGINAL**

Lovells

**LOVELLS
ATLANTIC HOUSE
HOLBORN VIADUCT
LONDON EC1A 2FG**

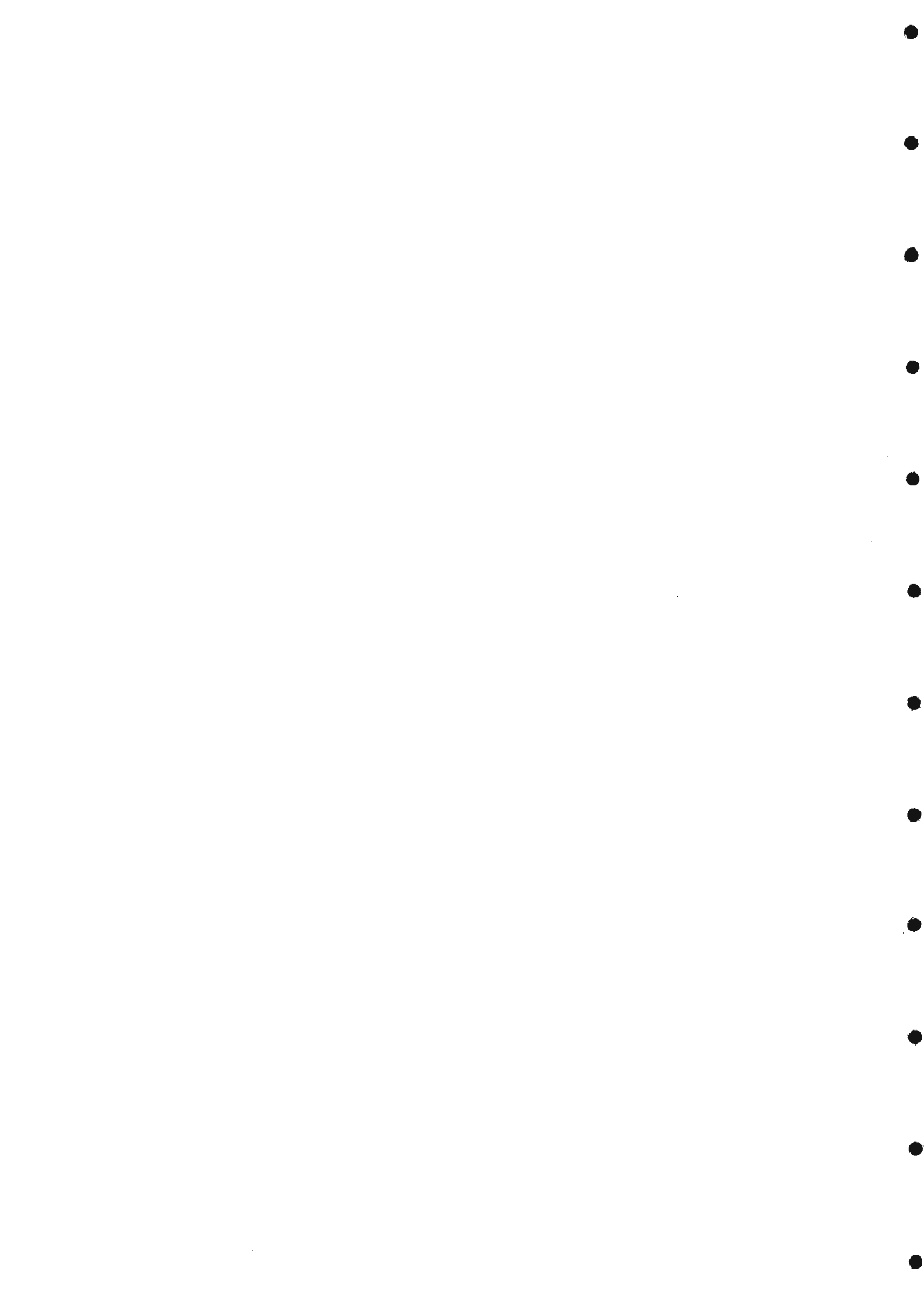
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DEFINITIVE TRUST DEED

THIS DEED is made

5 April

2006



BETWEEN:

- (1) **ALSTOM Limited** (registered in England No. 4267931) whose registered office is at Newbold Road, Rugby, Warwickshire, CV21 2NH (the "**Principal Employer**");
- (2) **ALSTOM Controls Ltd** (registered in England No. 540682), whose registered office is at Newbold Road, Rugby, Warwickshire, CV21 2NH (the "**Participating Employer**"); and
- (3) **ALSTOM Defined Contribution Pension Trustee Limited** (registered in England No. 3623833) whose registered office is at Newbold Road, Rugby, Warwickshire, CV21 2NH (the "**Trustee**").

RECITALS:

- (A) The Principal Employer has decided to establish with effect from 6 April 2006 (the "**Commencement Date**") a retirement benefits plan in the United Kingdom to be known as The ALSTOM Defined Contribution Plan (the "**Plan**").
- (B) The Plan will provide pension and other benefits for and in respect of:
 - (i) employees and former employees of the Principal Employer and employers who are associated with the Principal Employer and who are or were based in the United Kingdom; and
 - (ii) any other persons to whom the Principal Employer wishes to extend membership of the Plan.

OPERATIVE PROVISIONS:

PART I: OPERATION OF DEFINITIVE DEED : CONSTITUTION OF PLAN

1. OPERATIVE DATE OF DEFINITIVE DEED

This deed and the Rules shall take effect as of the Commencement Date.

2. INTERPRETATION

The definitions in Rule 3 and the interpretation provisions in Rule 4 shall apply throughout this deed (including its recitals) and the Rules.

3. CONSTITUTION AND OBJECT OF PLAN

- 3.1 The Plan shall be governed by the Trust Deed and the Rules.

3.2 The object of the Plan shall be the provision of pension and other benefits for and in respect of:

- (a) employees and former employees of the Principal Employer and of employers who are associated with the Principal Employer who are or were based in the United Kingdom; and
- (b) any other person to whom the Principal Employer wishes to extend the Plan.

3.3 The administration and management of the Plan shall be vested in the Trustee who shall have all powers necessary for the purposes of the Plan. The Trustee shall be the scheme administrator of the Plan for the purposes of section 270 of the Finance Act 2004 unless and until the Trustee appoints in writing another person or body to be the administrator.

3.4 The Fund shall be vested in the Trustee and the Trustee shall hold the Fund on the trusts of the Plan.

4. **COVENANTS BY THE PRINCIPAL EMPLOYER**

The Principal Employer HEREBY AGREES with the Trustee to observe and perform all the provisions of the Plan that from time to time apply to it.

5. **EXTENSION TO ASSOCIATED COMPANY; SUBSTITUTION OF NEW PRINCIPAL EMPLOYER**

5.1 The Principal Employer may admit an Associated Company as a Participating Employer and extend the Plan to such of its employees as may be agreed between the Principal Employer and such Associated Company PROVIDED that such Associated Company enters into a covenant with the Trustee as in clause 4.

5.2 Another company or undertaking (the "Successor") may by deed be substituted for the Principal Employer as Principal Employer for the purposes of the Plan if:

- (a) the Successor by that deed assumes the rights and obligations of the role of Principal Employer;
- (b) that deed makes clear whether or not the outgoing Principal Employer will continue as a Participating Employer;
- (c) the Principal Employer (unless it has been dissolved) agrees; and
- (d) Registration of the Plan is not prejudiced.

6. **AMENDMENT OF PLAN**

The Principal Employer may with the consent of the Trustee from time to time and at any time amend the Plan (including this clause 6). Any such amendment shall be by deed or by an announcement to the affected Members approved by the Principal Employer and

the Trustee and may be retrospective or prospective PROVIDED that where s 67 Pensions Act 1995 applies, no amendment shall be made to the accrued rights or entitlements of Members which does not comply with the requirements of that section.

7. **MATTERS OF DOUBT**

Subject to the powers expressly given to the Principal Employer or the Participating Employers under the Plan, the Trustee shall have power to decide any questions or matters of doubt in relation to the Plan.

8. **DISPUTES**

The Trustee shall adopt and may from time to time amend a procedure for the resolution of disputes with any Member or Beneficiary.

9. **WINDING-UP AND DISSOLUTION**

The Plan shall be wound-up and the Fund shall be dissolved as and when described in the Rules.

10. **GOVERNING LAW**

This deed and the Rules shall in all respects be governed by and interpreted according to the laws of England and the Plan shall be subject to the exclusive jurisdiction of the courts of England and Wales where a dispute or proceedings are properly conducted in a court of law.

11. **COSTS OF PLAN**

11.1 Unless the Principal Employer decides otherwise the administration costs of the Plan shall be borne by the Principal Employer. The Principal Employer may decide to pay the administration costs in respect of some Members only. The Principal Employer may direct that any of the Members shall pay some or all of the administration costs in respect of themselves. The Principal Employer may decide that some or all of the administration costs shall be paid from the Fund and whether such costs shall be paid from the Employers' Reserve. If the administration costs are paid from the Fund but not from the Employers' Reserve, the Trustee shall have power to deduct an appropriate amount from the relevant Members' Individual Accounts to pay the administration costs.

11.2 Where the trustees or managers of a particular investment relating to a money purchase benefit make deductions from that investment, those deductions shall be borne by the relevant Member's Individual Account and shall not be treated as costs for the purpose of this clause.

11.3 Subject to Rule 26.5 and Rule 29.2 any other costs of the Fund shall be borne as decided by the Principal Employer.

PART II: THE TRUSTEE

12. POWERS AND DISCRETIONS OF TRUSTEE

12.1 The Trustee shall have all powers and discretions necessary to administer and implement the Plan including powers to:

- (a) appoint a Secretary and, subject to the Principal Employer's consent, to employ and pay personnel;
- (b) appoint and dismiss agents;
- (c) appoint and remove advisers including lawyers, accountants, auditors, actuaries and investment managers on such terms and subject to such conditions as the Trustee shall agree with such advisers. The terms and conditions on which an adviser is appointed shall comply with s47 Pensions Act 1995 and the Occupational Pension Schemes (Scheme Administration) Regulations 1996;
- (d) appoint and remove one or more nominees to hold the Fund (or such part as the Trustee decides) on the Trustee's behalf;
- (e) operate bank and/or deposit accounts;
- (f) delegate in writing the payment of benefits (and payment by the delegate shall discharge the Trustee);
- (g) give indemnities, subject to the Principal Employer's consent;
- (h) give such guarantees, subject to the Principal Employer's consent, as the Trustee thinks fit in connection with the exercise of its powers under the Plan and to bind the Fund to give effect to such guarantees;
- (i) give undertakings to the Revenue.

12.2 The Trustee may delegate any of its powers and discretions to any person or body PROVIDED that any delegation in relation to investment is in accordance with s 34 Pensions Act 1995 where that section applies. The Trustee shall not be liable for any loss arising out of any act or omission of any such person or body to whom such powers and discretions are properly delegated.

12.3 The Trustee shall ensure that, where required by the Pensions Act 1995, there is prepared, maintained and revised a statement of investment principles in accordance with s 35 Pensions Act 1995 and shall comply with the other relevant requirements of that section.

12.4 The Trustee may as it thinks fit but subject to s 40 Pensions Act 1995 (which restricts employer-related investment) invest, or apply all or any of the Plan's assets as though it was absolutely and beneficially entitled to those assets. This power shall include:

- (a) acquiring and disposing of currencies and any property, tangible or intangible, real or personal, movable or immovable, whether or not it produces income, alone or together with others, in any part of the world, whether or not encumbered;
- (b) entering into, purchasing, selling, exchanging, and closing out or otherwise cancelling derivative instruments (which expression includes, without limitation, currency hedging arrangements, interest rate and equity swap arrangements, options and futures contracts, contracts for differences and any transaction calculated by the Trustee to offset or reduce a risk or loss to the Fund) and applying the Plan's assets in connection therewith;
- (c) underwriting, subunderwriting or guaranteeing the subscription of any funds, securities, bonds, debentures, debenture stocks and stocks and shares of any kind;
- (d) subject to the approval of the Revenue where required, commingling the Plan's assets with the assets of any other Registered Scheme and entering into and applying the Plan's assets in connection with collective investment schemes;
- (e) contracting with an Authorised Insurer for any policy securing benefits under the Plan or covering an excess of claims and paying the premiums from the Fund;
- (f) participating in any scheme of deposit administration or any managed funds administered by an Authorised Insurer; or
- (g) insuring assets of the Plan against loss or damage for such amounts as the Trustee decides and paying the premiums from the Fund.

12.5 The Trustee may with the consent of the Principal Employer and subject to section 36A Pensions Act 1995 (which restricts borrowing and acting as a guarantor) borrow money for any purpose of the Plan (including acquiring assets) and grant any mortgage or charge over any or all of the Plan's assets.

13. **RECORDS AND ACCOUNTS**

The Trustee shall arrange for proper records to be kept and accounts to be prepared and shall comply with relevant legislation.

14. **APPOINTMENT, RETIREMENT AND REMOVAL OF TRUSTEE**

14.1 The powers of appointment and removal of a Trustee are vested in the Principal Employer and shall be exercised by deed. After giving 30 days' written notice to the Principal

Employer (or such shorter notice as the Principal Employer accepts) a Trustee may retire from office. A retiring or removed Trustee shall be discharged after executing such documents as the Principal Employer requires. The Principal Employer may appoint a corporate trustee (whether or not a trust corporation) to act either as sole trustee of the Plan or as a co-trustee. In the absence of a sole corporate trustee, the number of trustees of the Plan shall not be less than four nor more than ten.

- 14.2 The Trustee shall ensure that, where applicable by law, arrangements for the selection resignation, retirement and removal of trustees and directors of any corporate Trustee nominated by the Members are made. Such arrangements (and any subsequent alterations to those arrangements) shall be in accordance with ss 241 to 243 Pensions Act 2004 and shall be recorded in writing.
- 14.3 The Principal Employer will exercise its powers under clause 14.1 in accordance with any arrangements concerning the composition and selection of trustees or trustee directors made by the Trustee under ss 241 to 243 Pensions Act 2004 and any other relevant legislation.

15. **PROCEEDINGS OF TRUSTEE**

- 15.1 If the Trustee is a sole corporate trustee the Trustee shall exercise its duties powers and discretions under the Plan in accordance with its memorandum and articles of association, and clauses 15.2 and 15.3 shall not apply.
- 15.2 If the Trustee is not a sole corporate trustee, the Trustees shall exercise their duties, powers and discretions under the Plan at meetings to be held where and when they decide and in such a way as to comply with the provisions of Part 1 of the Pensions Act 1995. At any meeting of the Trustee a minimum of four Trustees shall form a quorum and each question arising shall be decided by a simple majority of those of the Trustees present and voting. Where permitted by law, the Principal Employer shall nominate one of the Trustees to be chairperson who shall have a casting vote in the event of equality in voting.
- 15.3 A resolution in writing signed by all the Trustees shall be valid as though it had been passed at a meeting of the Trustees. It may consist of one document or two or more documents in the same form each signed by at least one of the Trustees.
- 15.4 No decision of the Trustee shall be invalidated on the ground that any Trustee or officer of a corporate Trustee had a personal or other interest in such decision.
- 15.5 Where a Trustee or a director of a corporate trustee is a director or senior employee of an Employer and receives information confidential to the Employer in his capacity as a director or senior employee of an Employer he shall not be required to disclose that

information to his fellow Trustees or directors of a corporate trustee if he absents himself from any decisions where that information is relevant.

16. INDEMNITY, LIMITATION OF LIABILITY AND REMUNERATION OF TRUSTEE

16.1 The Trustee shall be indemnified by each of the Employers in respect of all liabilities and expenses properly incurred in the execution or purported execution of its powers and duties under the Plan and against all costs in respect of any action taken in good faith in relation to the Plan. The indemnity under this Rule is limited to the extent necessary so that the indemnity is not void under section 309A Companies Act 1985.

16.2 The Trustee shall not be responsible, chargeable or liable in any manner whatsoever for or in respect of any loss of or any depreciation or default upon any of the investments or applications of the Fund or for any delay which may occur from any cause whatever in the investment or application of the Fund or for the safety of any securities or documents of title deposited by the Trustee for safe custody or for the exercise of any discretionary power vested in the Trustee by the Trust Deed or by the Rules or by reason of any other matter or thing EXCEPT THAT this exemption will not apply in respect of:

- (a) a breach of an obligation under any rule of law (including s 33 Pensions Act 1995) to take care or exercise skill in the performance of any investment function; or
- (b) a fine imposed by way of a penalty for an offence of which a Trustee is convicted or a penalty which he or she is required to pay under s 10 Pensions Act 1995 or s 168(4) Pension Schemes Act 1993.

16.3 The indemnity in clause 16.1 and the limitation of liability in clause 16.2 shall not apply to:

- (a) the personal fraud, wilful negligence or a breach of trust committed in bad faith on the part of any Trustee which is sought to be made liable; or
- (b) the negligence of a professional trustee.

16.4 The Trustee with the consent of the Principal Employer may take out insurance cover which will:

- (a) indemnify the Fund against loss, damage or expenses caused by any breach of trust; and
- (b) indemnify the Trustee against personal liability unless the person seeking the benefit of this indemnity incurred the liability as a result of personal dishonesty, bad faith, fraud or wilful negligence.

The premiums for such insurance cover shall be paid by the Employers unless the Principal Employer decides that such premiums shall be paid from the Fund.

16.5 No insurance shall cover the following risks:

- (a) a fine imposed by way of a penalty for an offence of which a Trustee is convicted or a penalty which he or she is required to pay under s 10 Pensions Act 1995 or s 168(4) Pension Schemes Act 1993;
- (b) a breach of an obligation under any rule of law (including s 33 Pensions Act 1995) to take care or exercise skill in the performance of an investment function;

unless the premiums for that cover are borne entirely by the Employers.

16.6 Any Trustee (or director or officer of a corporate trustee) acting in a professional capacity may charge for such services as Trustee (or director or officer of a corporate trustee).

16.7 A Trustee (or a director or officer of a corporate trustee) may retain any beneficial interest he or she has under the Plan.

16.8 In clauses 16.1, 16.2, 16.3 and 16.4 references to the Trustee include current trustees, former trustees, current and former directors, officers and employees of a corporate trustee and current and former Secretaries to the Trustee.

17. **ACTUARIAL INVESTIGATIONS AND CERTIFICATES**

17.1 The Trustee shall arrange for the Actuary to make a valuation of the Plan if and when required by legislation.

17.2 The Trustee may arrange for the Actuary to make a valuation of the Plan at any other time and shall do so if the Principal Employer so directs.

18. **IMPROVEMENTS IN BENEFITS**

The Trustee shall if the Principal Employer so directs increase any benefit under the Plan or grant new or additional benefits under the Plan or make additional credits to a Member's Individual Account PROVIDED that:

- (a) the Principal Employer or the Participating Employer by whom the Member concerned is or was last employed pays such additional contributions (if any) as the Trustee considers appropriate; and
- (b) such action would not prejudice the Registration of the Plan.

PART III: ASSET TRANSFERS

19. TRANSFERS OF ASSETS

- 19.1 The Trustee may at the request of the Principal Employer accept a transfer to the Fund of any assets in respect of a Member or group of Members on such terms as the Trustee decides. Where such a transfer is accepted the Trustee will credit the Member or Members with such benefits as it considers appropriate.
- 19.2 If the Trustee is asked in writing by a Member to transfer the value of his or her Individual Account on or before his or her Last Option Date the Trustee shall do so where required by legislation but only if the proposed recipient is willing to accept such transfer. On such transfer the rights of the Member under the Plan and of all persons claiming through the Member shall be extinguished.
- 19.3 For the purposes of clauses 19.1 and 19.2 "Member" shall, where the Principal Employer directs, include Members who have retired on pension or withdrawn from Active Membership or Special Active Membership entitled to deferred benefits and those persons entitled to present or contingent benefits in respect of them.
- 19.4 The Trustee may with the consent of the Principal Employer transfer assets relating to Members without their consent where legislation permits.

20. PURCHASE OF POLICY

- 20.1 The Trustee:
- (a) shall when a pension is due to come into payment to or in respect of a Member (unless the Principal Employer decides otherwise); and
 - (b) may with the consent of the Principal Employer, at any other time, in respect of any person who is entitled to benefits from the Plan (whether immediate, deferred or contingent)
- purchase or provide in the name of such person or of trustees for the benefit of such person or assign to such person or trustees one or more Approved Policies.
- 20.2 Any person for whom any benefit otherwise payable out of the Plan had been secured by means of the issue or assignment of an Approved Policy to him or her or to trustees for his or her benefit (whatever the nature of the benefits provided by such policy) and any person having an interest in the Plan through the membership of such person shall cease to have any rights against the Plan or the Trustee in respect of that benefit or interest and the Trustee shall be wholly discharged from any liability in respect of that benefit or interest.

- 20.3 The amount to be expended by the Trustee in the purchase or provision of an Approved Policy shall represent such part of the assets of the Plan as (in accordance with the requirements of the Pension Schemes Act) the Trustee considers to be appropriate.
- 20.4 If the Trustee is to purchase one or more Approved Policies in accordance with clause 20.1, the Trustee shall give the Member (or other person in respect of whom the purchase is to be made) an opportunity to make the selection of Approved Policies or Authorised Insurers. The Trustee shall not be obliged to provide information about the choices available, except as may be required by law, nor to provide nor to arrange the provision of advice about such choices but, if it does provide or arrange the provision of such advice, or if it makes available any information obtained directly or indirectly from any Authorised Insurers, the Trustee shall not be responsible for that advice or for the accuracy or adequacy of that information. The Trustee may impose such restrictions as it may for the time being consider desirable on the choice of Approved Policies or Authorised Insurers, whether the choice is to be made by the Trustee or the Member (or other person). The cost of any advice shall be borne by the Member unless the Principal Employer and the Trustee agree otherwise.

IN WITNESS whereof the parties hereto have caused this deed to be executed the day and year first above written.

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THE RULES

SECTION I

GENERAL

1. **NAME OF PLAN**

The Plan is called the ALSTOM Defined Contribution Plan.

2. **COMMENCEMENT DATE**

The Plan came into operation on the Commencement Date and the Rules took effect as of and from that date.

3. **DEFINITIONS**

In the Plan the following words and expressions shall bear the following meanings:

"Active Member"

a Member who has been admitted as an Active Member and who has not left Service, opted out, retired, died or reached age 75. "Active Membership" shall be construed accordingly. A Member may be both an Active Member and a Special Active Member.

"Actuary"

a Fellow of the Institute of Actuaries or a Fellow of the Faculty of Actuaries or a person with other actuarial qualifications who is approved by the Secretary of State for Social Security, at the request of the Trustee, as being a proper person to act in this capacity. In the Trust Deed and the Rules, where the Pensions Act 1995 requires, references to "Actuary" mean the person appointed as Plan Actuary under s 47 Pensions Act 1995 but (where not so required) mean any Actuary as defined above.

"Additional Member's Contributions"

A Member's contributions paid in accordance with Rule 9.3.

"Adoption Leave"

a period which is:

- (a) an ordinary adoption leave period as defined in the Employment Rights Act 1996; and/or
- (b) a period of adoption leave during which the Member is in receipt of statutory or contractual adoption pay.

"Annual Allowance Charge"

a charge arising under s227 Finance Act 2004.

"Approved Policy"

a policy of insurance or annuity contract intended to secure benefits previously provided under the Plan and which is written by an Authorised Insurer and complies with relevant legislation so as to discharge the Trustee's liability for such benefits.

"Associated Company"

any company or undertaking:

- (i) which is directly or indirectly controlled by or associated in business through a permanent community of interest with the Principal Employer or its holding company; or
- (ii) which the Principal Employer determines should be an Associated Company.

"Associated Companies" shall be construed accordingly.

"Authorised Insurer"

the United Kingdom office of any insurance company as defined in section 275 Finance Act 2004.

"Beneficiaries"

one or more of such persons or bodies as the Trustee considers would be appropriate recipients of all or part of the lump sum benefits payable on a Member's death chosen from:

- (i) the Member's surviving civil partner, widow or widower, grandparents (including his or her adoptive grandparents) and their descendants (and the spouses, civil partners, surviving civil partners, widows or widowers of those descendants);
- (ii) the Member's Dependants;
- (iii) any person with an interest in the Member's estate; or
- (iv) any person or body nominated by the Member in writing to the Trustee.

For this purpose the Trustee may have regard to, but shall in no way be bound by, any statement of the Member's wishes lodged with the Trustee before his or her death even though such nomination may purport to be a direction as to payment of such benefit.

"Beneficiary" means one of such Beneficiaries.

"Benefit Crystallisation Date"

the date on which benefits under the Plan are put into payment or made available for immediate payment, and measured against a Member's Lifetime Allowance.

"Commencement Date"

6 April 2006.

"Death Benefit Earnings"

A Member's annual rate of Pay on the 6 April before the Member's death. The annual rate of Pay is calculated as the Pay received by the Member in the twelve months of Service before 6 April.

Where a member has less than twelve months of Service before 6 April, the Member's annual rate of pay on the date of joining the Plan.

Where a member has sporadic earnings through the year, due to the nature of his employment, it will be a rate decided by the Principal Employer

"Dependant"

Any of:

- (1) A person who was married to, or a civil partner of, the Member at the date of the Member's death;
- (2) A child of the Member if the child -
 - (a) has not reached the age of 23, or
 - (b) has reached that age and, in the opinion of the Trustee, was at the date of the Member's death dependent on the Member because of physical or mental impairment.
- (3) A person who was not married to, or a civil partner of, the Member at the date of the Member's death and is not a child of the Member if, in the opinion of the Trustee, at the date of the Member's death -
 - (a) the person was financially dependent on the Member,
 - (b) the person's financial relationship with the Member was one of mutual dependence, or
 - (c) the person was dependent on the Member because of physical or mental impairment.

"Eligible Employee"

an employee in Service in respect of whom the Principal Employer has agreed that he or she may be admitted as a Member.

"Employers"

the Principal Employer and all or any of the Participating Employers. "Employer" in relation to any person means whichever it is of the Employers in whose employment that person is or was at the time or during the period in question.

"Employers' Reserve"

that part of the Fund (if any) not referable to Members' Individual Accounts.

"Fund"

the assets of the Plan including all contributions paid to the Trustee and all income or other return on those assets.

"Individual Account"

a Member's account representing his or her interest in the Fund.

A Member's Individual Account shall be credited with:

- (a) Employer's contributions paid in respect of the Member;
- (b) Member's Contributions;
- (c) Additional Member's Contributions;
- (d) any Pension Credit Rights accepted by the Trustee in respect of the Member;
- (e) any contributions paid under Rule 12 in respect of the Member under an insurance policy relating to the Member.

The Member's Individual Account shall be credited (or debited) with the income and capital gains (or losses) arising from investments representing the Member's Individual Account. Where appropriate the Trustee shall adjust the Member's Individual Account in respect of an appropriate share of any investment costs or charges relating to the Member's Individual Account but not previously attributed to it.

"Last Option Date"

the last date on which a Member may exercise the option to apply for a cash equivalent which is conferred under Chapter IV of Part IV Pension Schemes Act 1993.

"Lifetime Allowance"

the lifetime allowance as defined in s218 Finance Act 2004, being the level of benefits that an individual can draw from all Registered Schemes in his or her lifetime without triggering a Lifetime Allowance Charge.

"Lifetime Allowance Charge"

a charge arising under s214 Finance Act 2004.

"Maternity Leave"

a period which is:

- (a) an ordinary maternity leave period as defined in the Employment Rights Act 1996; and/or
- (b) that part of a period of absence from work due to maternity during which a female member is in receipt of contractual pay or maternity pay.

"Member"

any person who, having been admitted or re-admitted to membership pursuant to Rule 7, remains entitled to benefit under the Plan. In relation to an Employer any reference to Members means those Members in or formerly in its Service.

"Membership" shall be construed accordingly.

"Member's Contributions"

a Member's contributions paid in accordance with Rule 9.1.

"Normal Retirement Date"

the date of the Member's 65th birthday.

"Parental Leave"

a period which is:

- (a) a parental leave period as defined in the Maternity and Parental Leave etc Regulations 1999; and/or
- (b) a period of parental leave during which the Member is in receipt of contractual parental leave pay.

"Participating Employer"

an Associated Company which has been admitted to participation in the Plan. "Participating Employers" shall be construed accordingly.

"Paternity Leave"

a period which is:

- (a) a paternity leave period as defined in the Paternity and Adoption Leave Regulations 2002; and/or
- (b) a period of paternity leave during which the Member is in receipt of statutory or contractual paternity leave pay

"Pay"

A Member's basic salary or wage (excluding any bonus or pay for overtime) and such allowances and other payments received by a Member from the Employer as the Principal Employer determines and notifies to the Trustee from time to time.

"Pay Period"

the period of a month where the Member is paid each month, the period of four weeks where the Member is paid every four weeks and the period of a week where the Member is paid each week.

"Pensionable Earnings"

in any Pay Period the Member's Pay.

"Plan"

the retirement benefits scheme set out in the Trust Deed and the Rules.

"Plan Year"

the period in any year starting on 6 April and ending on 5 April or starting on such other day as the Trustee with the consent of the Principal Employer decides.

"Principal Employer"

ALSTOM Limited or the Successor pursuant to clause 5.2.

"Qualifying Service"

the aggregate of:

- (a) the most recent continuous period of Active Membership; and

- (b) every period of service under another retirement benefits scheme, fund or arrangement in respect of which a transfer of assets has been made to the Fund where such period counts as "linked qualifying service" under s 179 Pension Schemes Act 1993; and
- (c) such other period as the Trustee with the consent of the Principal Employer may allow.

PROVIDED that:

- (A) no period shall be reckoned more than once;
- (B) if any period of Active Membership has been broken by:
 - (i) maternity, paternity, adoption or parental absence in accordance with a right under the Employment Rights Act 1996 and the Member returns to Active Membership no later than one month after returning to work; or
 - (ii) an interval which does not exceed one month; or
 - (iii) an interval of any length which corresponds to the Member's absence from work in furtherance of a trade dispute within the meaning of s 35 Jobseekers Act 1995,

the periods of Active Membership either side of the break shall be aggregated and treated as one continuous period of Active Membership even if the Member has no entitlement under the Plan in respect of the period before the break.

"Registered Scheme"

a pension scheme registered in accordance with section 153 of the Finance Act 2004 or deemed registered in accordance with paragraph 1, Schedule 36 of the Finance Act 2004.

"Registration"

the registration of the plan in accordance with section 153 of the Finance Act 2004.

"Retires on Ill Health Grounds"

the cessation of employment as a result of physical or mental impairment where the Trustee has received evidence from a registered medical practitioner that the Member is (and will continue to be) incapable of carrying on his or her occupation because of physical or mental impairment.

"Revenue"

the Board of HM Revenue & Customs.

"Rules"

these rules and all alterations, modifications and additions made to them from time to time.

"Secretary to the Trustee"

the secretary to the Trustee and his or her nominated deputy.

"Service"

continuous, permanent or temporary, full-time or part-time service with an Employer whether as an employee or as a director. For the purpose of the Rules, transfer from one to another of the Employers shall not be construed as termination or interruption of Service.

"Special Active Member"

a Member who has been admitted as a Special Active Member and who has not left Service, opted out, retired, died or reached age 75. "Special Active Membership" shall be construed accordingly. A Member may be both an Active Member and a Special Active Member.

"Trust Deed"

the Definitive Deed and all alterations, modifications and additions from time to time made to it.

"Trustee"

the trustees or trustee for the time being of the Plan.

"Ultimate Dissolution Date"

80 years from the Commencement Date or such later date as may then be lawful for the continuance of the trusts of the Plan.

"Unauthorised Payment"

an unauthorised payment as defined in Part 4 of the Finance Act 2004.

"Unpaid Absence"

leave or absence from work which the Principal Employer determines should be Unpaid Absence.

4. **INTERPRETATION**

- 4.1 In the Plan where the context does not otherwise determine words importing the masculine gender shall include the feminine gender and words importing the singular number shall include the plural number and vice versa.
- 4.2 Reference to any enactment includes regulations made under it and reference to any enactment or regulations includes reference to any statutory amendment or re-enactment of that enactment or regulations for the time being in force and where appropriate (a) any preceding or subsequent related legislation in the same behalf and (b) equivalent legislation in Northern Ireland.
- 4.3 The tables of contents and the headings to the Trust Deed and its Schedules are for convenience of reference only and shall not affect their interpretation.

SECTION II

MEMBERSHIP

5. ELIGIBILITY FOR MEMBERSHIP

- 5.1 Every Eligible Employee shall be eligible to become an Active Member. Admission as a Special Active Member shall be at the discretion of the Principal Employer.
- 5.2 The Principal Employer may at any time at its discretion determine to treat any particular person who is not an Eligible Employee as being eligible to become a Member PROVIDED that Registration would not thereby be prejudiced.

6. MEDICAL EVIDENCE AND OTHER RELEVANT INFORMATION

The Trustee may ask any beneficiary for evidence of health, age or marriage or any other information relevant to amount of or entitlement to benefit. The Trustee may exclude a Member from benefit, withhold payment of benefit or limit or decline to increase benefits until the Trustee has evidence or information which satisfies its requirements.

7. ADMISSION TO AND DURATION OF MEMBERSHIP

- 7.1 The Trustee shall require an Eligible Employee to provide such details and in such form as the Trustee requires. If the Employment Rights Act 1996 has been complied with in relation to deduction of contributions from the Eligible Employee's Pensionable Earnings the Trustee may admit an Eligible Employee to membership automatically. Admission to Membership shall be on such day as the employee shall be notified. A Member shall cease to be an Active Member or Special Active Member on leaving Service.
- 7.2 An Active Member or Special Active Member may on giving to the Trustee notice of one calendar month or such other notice as the Trustee may reasonably require terminate his or her Active Membership or Special Active Membership although he or she remains in Service. When such notice takes effect the Member's Active Membership or Special Active Membership shall terminate. If such termination means that the Member is no longer an Active Member or a Special Active Member his or her benefits shall be dealt with in accordance with Rule 16. A Member who is both an Active Member and a Special Active Member may terminate one type of Membership while continuing the other.
- 7.3 A Member who elects to terminate his or her Active Membership or Special Active Membership while remaining in Service or an Eligible Employee who does not join the Plan when first eligible may be re-admitted or admitted to Membership only on a date specified by the Principal Employer and subject to such conditions as the Principal Employer and Trustee may impose.

7.4 There shall be no minimum age requirement for admission to Membership unless the Principal Employer determines otherwise, and admission to Membership may be permitted up to age 75 subject to any other requirements of this Rule, Rule 5 or Rule 6.

8. **ABSENCE FROM WORK**

8.1 During any period of Maternity Leave, Paternity Leave, Parental Leave or Adoption Leave taken by an Active Member or Special Active Member:

- (a) the period of leave shall be deemed to be Qualifying Service and the Member shall be deemed to continue as an Active Member or Special Active Member;
- (b) the Member shall continue to pay Member's Contributions, if any, calculated by reference to the Member's actual pay;
- (c) Employer's contributions shall be credited to the Member's Individual Account as if he or she had been working normally;
- (d) the Employer shall in respect of a period of leave taken by an Active Member pay additional contributions which shall be credited to the Member's Individual Account, equal to the difference between the contributions that the Member pays under Rule 8.1 (b), and the Member's Contributions that the Member would have paid if he or she had been working normally.

8.2 During any period of unpaid leave that, if paid, would be Maternity Leave, Paternity Leave Parental Leave or Adoption Leave, the Employer may choose to pay Employer's contributions and an amount equal to the Member's Contributions as if the Member had been working normally and such amount shall be credited to the Member's Individual Account.

8.3 Where a Member who was an Active Member before he or she commenced leave has a right to return to work under Part IV of the Maternity and Parental Leave etc Regulations 1999 or Part 3 of the Paternity and Adoption Leave Regulations 2002 the Member shall be deemed to be covered for death benefits under Rule 17.1 until the end of the period of absence. If the Member does not return within the period permitted by the said Regulation the Trustee shall treat the Member as having left Service with effect from the end of his or her period of Maternity Leave or Adoption Leave.

8.4 If a Member is on Unpaid Absence, temporary loan to another Employer or unpaid sick leave and was an Active Member before such absence commenced then, so long as he or she does not become a member of another retirement benefits scheme he or she shall continue to be covered for death benefits under Rule 17.1. The Principal Employer may waive the requirement that he or she does not become a member of another retirement benefits scheme.

- 8.5 If a Member, having been on Unpaid Absence, temporary loan to another employer, or unpaid sick leave and having been an Active Member before such absence commenced returns to Active Membership but does not pay contributions under Rule 11.3 in respect of the period of Unpaid Absence, temporary loan or unpaid sick leave then Active Membership will be treated as continuous (unless he or she has become a member of another retirement benefits scheme) but excluding the period of Unpaid Absence, temporary loan, unpaid sick leave. The Principal Employer may waive the requirement that he or she must not have become a member of another retirement benefits scheme.

SECTION III
CONTRIBUTIONS

9. MEMBER'S CONTRIBUTIONS

- 9.1 On admission to Membership each Active Member may choose to pay Member's Contributions at a rate of not less than three per cent and not more than eight per cent of Pensionable Earnings, and the rate chosen must be a whole number percentage rate. If the Member makes no choice the Member shall pay Member's Contributions at a rate of four per cent, but may elect to change the rate within two calendar months of the date on which he or she became an Active Member.
- 9.2 Except as provided in Rule 9.1, an Active Member may change the rate of his or her Member's Contributions only on the first day of the Plan Year, or such other times as the Trustee with the consent of the Principal Employer permits.
- 9.3 An Active Member may elect to pay Additional Member's Contributions of any whole number percentage rate of Pensionable Earnings. An Active Member may change the rate of such Additional Member's Contributions at any time by sending such notice to the Trustee as the Trustee requires.
- 9.4 The Employer will collect Member's Contributions and Additional Member's Contributions on behalf of the Trustee by deduction from the Member's remuneration each Pay Period.
- 9.5 Where the Member has paid Member's Contributions or Additional Member's Contributions in excess of the maximum amount that can receive tax relief, the Trustee shall, if the Member requests, refund those excess contributions to the Member. No such refund shall be made if the payment to the Member would be an Unauthorised Payment.

10. EMPLOYER'S CONTRIBUTIONS

- 10.1 The Trustee shall prepare a payment schedule in accordance with s 87 Pensions Act 1995.
- 10.2 The Employer shall pay to the Trustee:
- (a) for each Active Member making Member's Contributions at a rate of at least three per cent of Pensionable Earnings, an amount equal to the Member's Contributions in each Pay Period up to a maximum of eight per cent of Pensionable Earnings;
 - (b) for each Special Active Member, such contributions as have been agreed between the Special Active Member and the Employer; and

(c) such contributions as the Principal Employer decides are necessary to provide the benefits payable on a Member's Death in Service and where a Member is absent from work without pay as a result of ill-health; and

(d) any contributions required by the Trustee under clause 18;

unless the Principal Employer directs that some or all of the contributions set out above shall be paid from the Employers' Reserve. Such Employer's contributions shall be paid to the Trustee or as the Trustee shall direct and at such intervals as shall be required by the Trustee.

11. UNPAID ABSENCE

11.1 Where a Member is on Unpaid Absence, the Employer will not pay the Employer contributions referred to in Rule 10.2(a) above unless it chooses to under Rule 11.2 or 11.4.

11.2 A Member may continue to pay Member's Contributions during a period of Unpaid Absence. If a Member does so, the Employer may, at its discretion, choose to pay some or all of the contributions that would have been due under Rule 10.2(a) if the period had not been a period of Unpaid Absence.

11.3 A Member may continue to pay part of his or her Member's Contributions or pay no Member's Contributions during a period of Unpaid Absence. On a Member's return from Unpaid Absence the Member may pay an amount in addition to Member's Contributions up to a maximum of the difference between the contributions that the Member made during the Unpaid Absence, and the Member's Contributions that the Member would have made if he or she had not been on a period of Unpaid Absence.

11.4 If a Member makes payments under Rule 11.3, the Employer may, at its discretion, choose to pay an amount up to the Employer contributions under Rule 10.2(a) that it would have paid if the Member had not been on a period of Unpaid Absence.

11.5 This Rule does not apply to a Member who, before the period of Unpaid Absence, was a Special Active Member but not an Active Member.

12. ILL HEALTH CONTRIBUTIONS

12.1 Where a Member is absent from work without pay as a result of ill-health, the Trustee must accept contributions in respect of the Member from an Authorised Insurer if the Principal Employer directs the Trustee to do so.

SECTION IV

INVESTMENT

13. INVESTMENT OF CONTRIBUTIONS PAID BY OR IN RESPECT OF MEMBERS PAID EACH WEEK

13.1 On receipt of contributions paid by or in respect of a Member who is paid each week, the Trustee may deposit such contributions in an interest bearing facility in the Trustee's name. If the Trustee does so, the Trustee shall keep a record of the contributions and the interest accruing in respect of the contributions so deposited in respect of each Member.

13.2 At least once each month the Trustee shall credit each Member's Individual Account with the value of any contributions relating to that Member deposited in an interest bearing facility including the amount of any interest attributable to those contributions.

14. INVESTMENT OF MEMBERS' INDIVIDUAL ACCOUNTS

14.1 The Trustee shall make such investment options available for the investment of a Member's Individual Account as it shall think fit and the Trustee shall review any such investment options from time to time. In particular, the Trustee may at any time at its discretion withdraw, close, transfer, substitute or offer new, alternative or additional investment options.

14.2 The Trustee shall not be obliged to provide information to Members about any investment options which are currently available, except as may be required by law, nor to provide nor to arrange the provision of advice to Members about such investment options but, if they do provide or arrange the provision of such advice, or if they make available any information obtained directly or indirectly from any provider of any investment options, the Trustee shall not be responsible for it. The cost of any advice shall be borne by the Member unless the Principal Employer and the Trustee agree otherwise.

14.3 The Trustee shall permit a Member, by notice in writing to the Trustee, to select from the investment options which are currently available. The Trustee may restrict the number of investment options a Member may select. A Member may change his or her selection between the available investment options at such times and intervals, on such terms and in such manner as the Trustee may from time to time specify. If a Member does not select any investment option, the Trustee shall invest the Member's Individual Account in such manner as the Trustee shall determine.

14.4 The Trustee shall not be responsible for any loss suffered or gain forgone attributable to any selection of investment options made by the Member or to any failure by the Member to make a selection.

SECTION V

BENEFITS

15. RETIREMENT BENEFITS

15.1 Timing of taking benefits

A Member may elect that his or her Individual Account be applied in accordance with Rule 15.2:

- (a) at or after Normal Retirement Date;
- (b) after age 55 if the Principal Employer and Trustee consent; or
- (c) at any age, if the Member Retires on Ill Health Grounds and the Principal Employer agrees.

If a Member does not make an election on or before his or her 75th birthday the Trustee shall apply the Member's Individual Account on that date to secure a pension for the Member by the purchase of an Approved Policy. The Trustee shall decide the form of the pension.

15.2 Application of Member's Individual Account

On making an election under Rule 15.1, the Member's Individual Account shall be applied in such one or more of the optional forms set out in Rule 15.3 as the Member shall agree with the Trustee before the date of such retirement.

15.3 Benefit options

The optional forms of benefit available to Members under Rule 15.2 or Rule 16.4 (by the purchase of one or more Approved Policies in accordance with Clause 20 unless the Principal Employer decides otherwise) shall be:

- (a) a lump sum;
- (b) a pension payable to the Member for life;
- (c) a contingent annuity payable to a Dependant commencing no earlier than the Member's death; and
- (d) a guarantee that the whole or part of a pension payable to or in respect of a Member under the Plan will increase annually at a certain rate.

A Member may not exercise any option under (a) to (d) where the payment of such a benefit would be an Unauthorised Payment unless the Principal Employer and the Trustee decide otherwise.

15.4 Re-joining as Active Member or Special Active Member when receiving benefits

If an Active Member or Special Active Member makes an election under Rule 15.1 he or she may, if the Principal Employer agrees, re-join the Plan as an Active Member or Special Active Member after the election, for as long as he or she continues in Service without terminating his or her Active Membership or Special Active Membership in accordance with Rule 7.2. Active Membership and Special Active Membership shall cease on or before the Member's 75th birthday.

16. BENEFITS ON LEAVING SERVICE OR LEAVING THE FUND

16.1 This Rule 16 applies to Members who cease Active Membership and Special Active Membership, other than on death or by making an election under Rule 15.1, in relation to payments made to a Member's Individual Account prior to the date that Active Membership and Special Active Membership ceased. This Rule applies notwithstanding that a Member may rejoin the Plan under Rule 15.4.

16.2 If a Member who was not a Special Active Member ceases to be an Active Member before Normal Retirement Date with less than three months' Qualifying Service then the Member shall be paid a sum equal to the part of his or her Individual Account representing his or her Member's Contributions and Additional Member's Contributions subject to deduction of tax, provided that all of the following conditions are satisfied:

- (a) there has been no previous benefit crystallisation event (as defined in Finance Act 2004) in relation to the Member and the Plan;
- (b) the Member's entitlement to benefits under the Plan is extinguished; and
- (c) the payment is not otherwise an Unauthorised Payment.

16.3 If a Member who was not a Special Active Member ceases to be an Active Member before Normal Retirement Date with three months' or more but less than two years' Qualifying Service, the Member may elect to be paid a sum in accordance with Rule 16.2, provided that provisos (a) to (c) of Rule 16.2 are satisfied. Alternatively, the Member may elect to transfer the value of his or her Individual Account to another Registered Scheme or Approved Policy. If the Member makes no election within the period specified by the Trustee, the Trustee will pay the Member a sum in accordance with Rule 16.2, provided that provisos (a) to (c) are satisfied. The Trustee will operate this Rule 16.3 in accordance with Chapter 5, Part IV Pension Schemes Act 1993.

16.4 If a Member ceases Active Membership and Special Active Membership otherwise than on death, or by making an election under Rule 15.1, and the member is not entitled to benefits under Rule 16.2 or Rule 16.3 the Member's Individual Account shall be applied in accordance with Rule 15.3 when the Member attains Normal Retirement Date or on

ceasing Active Membership and Special Active Membership if later, subject to the following:

- (a) a Member may request the Trustee to transfer the value of his or her Individual Account to another Registered Scheme or Approved Policy in accordance with clause 19.2. Such request shall be in writing and shall provide the details the Trustee reasonably requires;
- (b) a Member may elect, with the consent of the Trustee and the Principal Employer, to postpone the application of his or her Individual Account in accordance with Rule 15.3 beyond Normal Retirement Date (or the date of ceasing Active Membership and Special Active Membership, if later) but not beyond that Member's 75th birthday;
- (c) a Member who is aged 55 or more may with the consent of the Trustee and the Principal Employer elect to apply his or her Individual Account in accordance with Rule 15.3 before Normal Retirement Date.

16.5 Notwithstanding the provisions of Rule 16.1 to Rule 16.4, the Trustee with the consent of the Principal Employer and the Member may provide an alternative benefit on the Member ceasing Active Membership and Special Active Membership, subject to such conditions as the Trustee and the Principal Employer impose.

17. DEATH BENEFITS

17.1 Lump sum payable on death of an Active Member before Normal Retirement Date

If an Active Member dies before Normal Retirement Date, the Trustee shall pay in accordance with Rule 18 an amount equal to:

- (a) four times the Member's Death Benefit Earnings; plus
- (b) an amount equal to the contributions that would have been paid in the future by both the Employer and the Member if the Member had continued to be an Active Member until Normal Retirement Date PROVIDED THAT for the purposes of calculating this amount, the percentage rate of Member's Contributions paid in the last complete Plan Year or the actual period of Service if less (subject to a combined maximum of eight per cent) and the rate of Death Benefit Earnings at the date of death shall be used; plus
- (c) the value of the Member's Individual Account.

17.2 Lump sum payable on death of a Special Active Member before Normal Retirement Date

If a Special Active Member dies before Normal Retirement Date, the Trustee shall pay in accordance with Rule 18 an amount equal to the value of the Member's Individual Account, unless the Special Active Member is also an Active Member, in which case the Trustee shall pay the benefits set out in Rule 17.1 instead.

17.3 Lump sum on death of an Active Member or Special Active Member after Normal Retirement Date or on Member's death while entitled to a deferred pension but before this benefit has commenced

If either:

- (a) an Active Member or Special Active Member dies after Normal Retirement Date (including an Active Member or Special Active Member who has joined the Plan after age 65); or
- (b) a Member prospectively entitled to benefits under Rule 16.4 dies before the date on which such Member's benefits commence;

an amount equal to the value of Member's Individual Account shall be paid in accordance with Rule 18.

SECTION VI

PAYMENT OF BENEFITS

18. DISCRETIONARY TRUSTS ON WHICH DEATH BENEFITS TO BE HELD

18.1 A lump sum benefit payable on the death of a Member shall be held by the Trustee upon trust with power to pay or apply the same within two years from the date of the relevant death to or for the benefit of one or more of the Beneficiaries in such proportion as the Trustee in its discretion shall decide. Any balance not so distributed within two years shall be held by the Trustee separate from the Fund for payment or application as aforesaid. Where the residue of the Member's estate passes as bona vacantia no benefit shall be payable under the Plan unless the Trustee at its discretion decide otherwise.

18.2 Pension instead of lump sum

If the Beneficiary chosen by the Trustee to receive benefits in accordance with Rule 18.1 is a Dependant, the Trustee may decide that instead of receiving all or part of the lump sum payment all or part of the amount of the lump sum shall be applied to purchase an Approved Policy in accordance with clause 20.1 to pay a pension for the benefit of that Dependant.

19. INCAPACITY OF BENEFICIARY

19.1 If a person entitled to benefit under the Plan is a minor or is in the opinion of the Trustee suffering from any incapacity rendering him or her unable to manage his or her affairs or to give a proper receipt, the Trustee may at its discretion pay or direct the payment of such benefit to any person or body of persons to be applied for his or her benefit. Payment so made in good faith shall operate as a complete discharge to the Trustee or other payer for the money so paid. The Trustee or that payer shall have no liability to enquire into the application of the payment.

19.2 Alternatively the Trustee may declare in respect of all or part of any benefit payable under the Plan such trusts, terms and limitations (including such provisions for maintenance, education or advancement or for accumulation of any income during a minority and such discretionary trusts and powers as the Trustee may by deed appoint but without infringing the rule against perpetuities) to be administered separately from the trusts of the Plan. The Trustee shall have power to appoint as trustees of such benefit or part thereof any two persons or a corporate trustee (whether or not being a trust corporation) and (unless such powers are vested in another or in others under the deed of trust) to remove any such trustees and appoint any other trustee in place of any one so removed. Unless the Principal Employer decides otherwise the costs of establishing and the continuing costs of the trust shall be met from the assets of that trust.

20. **UNCLAIMED BENEFITS**

If any right to benefit remains unclaimed for a period of six years from the date it became payable it shall cease to be payable.

21. **PROHIBITION OF ASSIGNMENT OF BENEFITS; FORFEITURE AND SUSPENSION OF BENEFITS**

21.1 Benefits under the Scheme cannot be assigned or charged except in accordance with Rule 21.2; they will not be paid to anyone except the person entitled under these Rules. Subject to ss 91 and 92 Pensions Act 1995 (assignment, forfeiture, bankruptcy etc.) a benefit will cease to be payable if:

- (a) the person entitled to the benefit under these Rules tries to assign or charge it or becomes bankrupt ; or
- (b) any other event occurs by which all or part of the benefit would become payable to some other person.

21.2 An assignment may be made of either or both of:

- (a) part or all of a Member's retirement benefits or rights to benefits under the Plan, to the Member's Ex-Spouse to the extent necessary to comply with a Pension Sharing Order, agreement or equivalent provision; or
- (b) part or all of the Ex-Spouse Participant's benefits or rights under the Plan, to the Member's Ex-Spouse to the extent necessary to comply with a Pension Sharing Order, agreement or equivalent provision.

If any such assignment is made the Trustee must make provision for the Pension Credit Benefits under the Plan to be treated separately from any benefits provided under the Plan for the same individual as an employee or as the Dependant of an employee.

21.3 If a benefit ceases to be payable under Rule 21.1, the Trustee will pay an equivalent benefit, to, or for the benefit of, one or more of:

- (a) the person who was entitled to the original benefit; and
- (b) that person's spouse and Dependents.

If the Trustee decides to pay a benefit to more than one person, it will pay it in such shares as it decides.

This Rule does not apply to any lump sum that falls due for payment before the benefit otherwise ceases to be payable.

22. BENEFITS AND LIABILITIES ON TERMINATION OF ACTIVE MEMBERSHIP AND SPECIAL ACTIVE MEMBERSHIP

22.1 If a Member is under some monetary obligation to the Employers arising out of a criminal, negligent or fraudulent act or omission on his or her part, the Employers shall be entitled to claim from the Trustee an amount equal to the amount of such obligation or the amount of Member's Individual Account, if less. Upon proof of such amount the Trustee shall procure the payment of such claim out of any moneys due under the Plan to such Member so far as such moneys are sufficient or, if the Employer so chooses, the Trustee shall allow the Employer to reduce its contributions in respect of the Member by that amount. The rights (if any) of such Member under the Plan shall be reduced accordingly.

In any such case the Trustee will certify to the Member the amount so recovered and its effect upon his or her benefits under the Plan. If a claim is made against moneys due under the Plan:

- (a) the Member may agree in writing with the Trustee to some alternative method of recovery;
- (b) if there is a dispute as to the amount due, the Employers shall not be entitled to exercise their right of recovery before the debt in question has become enforceable under a court order or the award of an arbitrator or (in Scotland) an arbiter. In any such instance the Trustee may postpone payment of benefits under the Plan until it has become clear whether such debt is enforceable or not.

22.2 In addition to the above the Trustee is entitled to the benefit of a charge, lien or set-off against benefits under the Plan for the purpose permitted by s 91(5)(e) Pensions Act 1995 (crime negligence, fraud, breach of trust) or s 91(5)(f) Pensions Act 1995 (payment made in error). Before exercising this entitlement, the Trustee will follow the procedural steps set out in s 91 Pensions Act 1995.

SECTION VII
MISCELLANEOUS

23. SERVICE OF NOTICES

Any notice to be given under the Plan shall be deemed to have been given or served upon the Trustee, an Employer or a Member if in writing and either delivered by hand or sent by pre-paid first class post under cover addressed:

- (a) in the case of the Trustee to the Secretary to the Trustee at the registered office of the Principal Employer;
- (b) in the case of an Employer to its registered office; and
- (c) in the case of a Member, to his or her last known address as shown in the records of the Employer or the Trustee.

Any notice served by post as aforesaid shall be deemed to have been received three working days after the same was posted.

If the Trustee and the Employer wish to serve or give notice to the other they may agree to some other form of communication.

24. TAX

24.1 Income or other tax will be deducted from benefits or payments from the Plan in all cases where the Trustee has a joint liability with any other person or a sole liability to account for such tax.

24.2 Where any liability to inheritance tax or other like tax or duty arises the Trustee may either apply the benefit in payment of such tax or duty (including any Interest due thereon) or postpone the payment of the benefit until any question regarding the incidence of such tax or duty has been resolved.

24.3 The Member is solely responsible for payment of any Annual Allowance Charge arising in respect of the Member.

25. DISCLOSURE OF INFORMATION

The Trustee and the Employers shall comply or ensure compliance with regulations relating to disclosure of information. The Trustee shall have power to impose such charges as it thinks fit for providing benefit information requested by Members and beneficiaries where that Member or beneficiary does not have a legal right to the information or does not have a legal right at the time the request for information is made.

26. **TERMINATION OF EMPLOYERS' PARTICIPATION**

26.1 Any Employer may at any time give three months' (or such shorter period as the Principal Employer agrees) notice in writing to the Trustee to terminate its liability to pay contributions under the Plan. If the Principal Employer gives such notice then Rule 29.1 shall apply. If any other Employer gives such notice then the relevant provisions of Rule 26.2 shall apply.

26.2 A Participating Employer's participation in the Plan shall terminate on the Exit Date set out below if one of the following events occurs:

- (a) the Participating Employer terminates its liability to pay contributions under the Plan by giving notice under Rule 26.1; or
- (b) the Participating Employer ceases to be an Associated Company;
- (c) an order of the Court is made or a resolution passed for the winding-up or liquidation of the Participating Employer (other than for the purposes of reorganisation amalgamation or reconstruction);
- (d) the Participating Employer has failed, in the opinion of the Principal Employer, to perform or observe its obligations as a Participating Employer.

On such termination the Trustee shall decide whether Rule 26.4 shall apply. If the Trustee decides that Rule 26.4 does not apply the Members employed by the Participating Employers shall become entitled to benefits under Rule 16 as if the Member had ceased to be an Active Member or a Special Active Member on the Exit Date.

26.3 The Exit Date shall be:

in (a) above: the date such notice takes effect;

in (b) above: the date of such cessation or such later date (if any) as the Trustee, with the agreement of the Principal Employer and consistent with Registration, may specify;

in (c) above: the date such order or resolution is made for the winding-up or liquidation;

in (d) above: the date the Principal Employer determines the Participating Employer has failed to observe or perform its obligations; and

in (e) above: the date the agreed period expires.

26.4 Where the Trustee has determined that this Rule applies, the Trustee shall as soon as practicable consult with the Principal Employer and take the following action as of the Exit Date, namely:

- (a) determine the class and identity of Members affected (hereinafter called the "Relevant Members");
- (b) appropriate the aggregate value of the Relevant Members' Individual Accounts or such greater amount as the Principal Employer may in any particular case direct;
- (c) make transfers pursuant to clause 19 and/or purchase Approved Policies in accordance with clause 20 in respect of the amount appropriated under Rule 26.4(b).

26.5 Where the Trustee has determined that Rule 26.4 shall not apply those costs incurred by the Trustee after the Exit Date in administering the Plan in respect of those Members employed or formerly employed by the Participating Employer which has withdrawn from the Plan shall be paid from the Fund (unless the Principal Employer agrees to pay such costs). Where the costs are paid from the Fund the Trustee shall (unless the Principal Employer agrees that such costs shall be paid from the Employers' Reserve) make a rateable deduction from the Individual Accounts of those Members employed and formerly employed by the Participating Employer which has withdrawn from the Plan comparable to the amount of costs incurred by the Trustee in respect of those Members.

27. REFUND OF EXCESS CONTRIBUTIONS

The Trustee has power to make a payment to a Member in respect of overpayment of a Member's Contributions where the payment would constitute a refund of excess contributions lump sum under the Finance Act 2004.

28. LIFETIME ALLOWANCE EXCESS LUMP SUM

If at the time of a benefit crystallisation event in respect of a Member the value of the Member's benefits exceeds the Member's available Lifetime Allowance, the Trustee may pay any excess above the available Lifetime Allowance as a lifetime allowance excess lump sum under the Finance Act 2004.

SECTION VIII

WINDING-UP AND DISSOLUTION

29. WINDING-UP AND DISSOLUTION

29.1 The Plan shall be wound-up and the Fund shall be dissolved on:

- (a) the date which is 12 months before the Ultimate Dissolution Date; or
- (b) the earlier termination by the Principal Employer of its liability to pay contributions under the Plan or the appointment of a receiver or liquidator of the Principal Employer (without in any such case the Trustee being of the opinion that another company or undertaking is likely to be substituted within a reasonable time as the Successor as defined in clause 5.3);

unless in (b) above the Trustee decides to continue the Plan under Rule 29.7. The Fund shall then be dissolved and the trusts of the Plan shall cease and determine SAVE AND EXCEPT that the powers of amendment contained in clause 6 shall continue to apply (subject as therein provided) for so long as such winding-up has not been completed.

29.2 Where the whole of the Plan is wound-up, the assets of the Plan including the Employer's Reserve shall be realised. The Employer's Reserve shall be applied in payment of any fees and expenses of or incidental to the administration and management and winding-up of the Plan. If the Employer's Reserve is insufficient to meet the fees and expenses (unless the Principal Employer agrees to meet such fees and expenses) the fees and expenses will be met from the remaining proceeds of the assets of the Plan and the Trustee shall make a rateable deduction from each Member's Individual Account to reflect the application of the proceeds in meeting such fees and expenses.

29.3 The Trustee shall discharge liabilities by applying the value of each Member's Individual Account to provide benefits for and in respect of that Member.

29.4 The Trustee shall secure the benefits for and in respect of that Member by purchasing one or more Approved Policies or by transferring the appropriate portion of the assets to the trustees of another Registered Scheme.

29.5 If there is any surplus left after application of the Fund as set out in Rule 29.2 and Rule 29.4 the Trustee shall first apply such surplus to make good, so far as possible, any deduction made under Rule 29.2 and if any surplus remains may, subject to the consent of the Principal Employer, apply the whole or part of such surplus in increasing the pensions required to be secured as aforesaid or in securing further benefits for Members. Any balance then remaining shall, subject to the requirements of s 76 Pensions Act 1995, be divided among and paid to the Employers in such proportions as the Trustee shall consider to be just and equitable.

- 29.6 If the Plan is wound-up the Trustee shall have the powers necessary to transfer assets to any appropriate arrangement with Authorised Insurers, to a Personal Pension Scheme or to another Registered Scheme.
- 29.7 Instead of winding up all or part of the Plan and dissolving all or part of the Fund the Trustee may continue all or part of the Plan and administer the same as a closed plan until:
- (a) the Trustee decides to wind-up the Plan; or
 - (b) the trusts of the Plan are exhausted; or
 - (c) until the date which is 12 months before the Ultimate Dissolution Date
- (whichever shall first happen).

If the trusts are so continued and are not exhausted more than 12 months before the Ultimate Dissolution Date, the trusts shall then be dissolved and the provisions of this Rule 29 (including the provision in Rule 29.1 for the continuation of the powers of amendment) shall then operate and take effect. If the Trustee continues the Plan as a closed plan, the costs and expenses incurred by the Trustee in connection with the Plan shall be borne by the Fund unless the Employers agree otherwise.

- 29.8 For the purposes of this Rule 29 "Member" shall include any person to whom any benefit under the Plan has or may become payable through, under or in respect of a Member.
- 29.9 The decisions of the Trustee under Rules 26 and 29 as regards the allocation and application of the Fund shall be final. Every Member or other person shall accept the amount (if any) which shall be allotted to or in respect of him or her as aforesaid in full discharge of all claims in respect of the Fund or the Plan and shall have no further claim whatsoever in respect of any rights to benefit under the Plan or otherwise.

SECTION IX
OVERRIDING RULES

30. UNAUTHORISED PAYMENTS

No Unauthorised Payments shall be made from the Plan EXCEPT THAT the Trustee with the consent of the Principal Employer shall have power if it thinks it appropriate in any particular circumstance to make a payment from the assets of the Plan notwithstanding that it is or may be an Unauthorised Payment or to rearrange the benefit so that it is not an Unauthorised Payment; in either case the Trustee shall consult the Principal Employer and shall, where reasonably practicable, obtain the consent of the beneficiary before making any such Unauthorised Payment or rearranged payment but no person shall have an entitlement to such a payment.

31. EQUAL TREATMENT

The Rules shall be subject to an overriding equal treatment rule as set out in s 62 Pensions Act 1995.

32. PENSION SHARING ON DIVORCE

The provisions of Schedule 2 are hereby adopted and incorporated as part of the Rules and shall override any other provisions of the Plan with which they are inconsistent.

33. REGISTERED SCHEME

The Plan shall be administered as a Registered Scheme in accordance with Finance Act 2004.

SCHEDULE 2

PENSION SHARING ON DIVORCE

1. DEFINITIONS

"Ex-Spouse" an individual to whom Pension Credit Rights have been or are to be allocated following a Pension Sharing Order, agreement or equivalent provision.

"Ex-Spouse Participant" is an Ex-Spouse who participates in the Plan. For this purpose the Ex-Spouse Participant must participate in the Plan, either:

- (a) solely for the provision of a Pension Credit Benefit; or
- (b) for the wholly separate provision of a Pension Credit Benefit, where benefits accrue or have accrued to that individual under the Plan for any other reason.

"Pension Credit" means a credit under Section 29(1)(b) of the Welfare Reform and Pensions Act 1999 or under corresponding Northern Ireland legislation.

"Pension Credit Benefit" in relation to a Plan, means the benefits payable under the Plan to or in respect of a person by virtue of rights under the Plan attributable (directly or indirectly) to a Pension Credit.

"Pension Credit Rights" means rights to future benefits under a scheme which are attributable (directly or indirectly) to a Pension Credit.

"Pension Sharing Order" means any order or provision as is mentioned in Section 28(1) of the Welfare Reform and Pensions Act 1999 or Article 25(1) of the Welfare Reform and Pensions (Northern Ireland) Order 1999.

2. An Ex-Spouse shall not be entitled to join the Plan in respect of Pension Credit Benefits unless:

- (a) such Ex-Spouse is a Member of the Plan by virtue of Service with an Employer; or
- (b) the Principal Employer with the consent of the Trustee in its absolute discretion decides otherwise. The terms on which an Ex-Spouse may join the Plan and the benefits payable to such Ex-Spouse shall be agreed by the Trustee and the Principal Employer.

3. The Trustee, with the consent of the Principal Employer, shall have absolute discretion to decide whether and on what terms a Member shall be able to transfer Pension Credit Rights into the Plan.

4. Charges may be applied for activity in relation to pension sharing. The Trustee and the Principal Employer shall, subject to s 41 of the Welfare Reform and Pensions Act 1999,

agree the circumstances in which such charges shall be applied, the amount of such charges and the method of recovery.

5. The Trustee shall have power to transfer an Ex-Spouse without his or her consent to another scheme or arrangement in accordance with Chapter 1 of Part IV of the Welfare Reform and Pensions Act 1999.
6. The Trustee shall have power to secure the Pension Credit Benefit of a Member or Ex-Spouse without the Member or Ex-Spouse's consent by the purchase of an Approved Policy where the Trustee is reasonably satisfied that the payment to the Authorised Insurer is at least equal to the value of the Pension Credit Benefit that has accrued to or in respect of the Member or Ex-Spouse.
7. The Trustee must make provision for any Pension Credit Benefits under the Plan to be treated as provided separately from any benefits provided under the Plan for the same individual as an employee or as the Dependant of an employee.

EXECUTED as a deed)

by ALSTOM Limited acting)

by:)


Director




Director/Secretary



EXECUTED as a deed)
by ALSTOM Controls Ltd acting)
by:)

Director 

Director/Secretary 

EXECUTED as a deed)
by ALSTOM Defined)
Contribution Pension Trustee)
Limited acting by:)

Director 

~~Director/Secretary~~ 

ALSTOM Limited

- and -

ALSTOM Controls Limited

- and -

ALSTOM Defined Contribution

Pension Trustee Limited

DEFINITIVE TRUST DEED

- relating to the -

ALSTOM Defined Contribution Plan

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