Alstom Defined Contribution Plan

Member Booklet

What's on your **mind**?

Thinking about your future

UNITED KINGDOM
Pensions

ALSTOM

Contents

Where can you go if you have questions about the Plan or your benefits?

- Read this Booklet and the other documents included in this pack.
- Visit the member website at www.dc-link.co.uk/alstom
- Visit the pensions website at www.pensions.uk.alstom.com for general information about the Plan.
- Contact the Plan's administrators, dc-Link, at pensionsadmin@dc-link.co.uk or on 01733 353430.

Important note on taxation: This Booklet has been prepared based on the taxation rules that apply to occupational pension schemes during the 2010/2011 tax year. At the time of writing, the Coalition Government is consulting on changes to the taxation rules for future years. Once the changes have been announced an Addendum to this Booklet will be produced.

Introduction

The Alstom Defined Contribution Plan ("the Plan") helps you to save for your retirement. The Plan will provide you with an income when you retire and benefits for your family in the event of your death.

This Booklet explains the important details of the Plan so you know how it works and the benefits it offers you and your family. To help you, technical terms are explained on pages 17 to 18.

The investment options available to you are explained in detail in a separate booklet, Guide to Investment Options.

What you need to know

- This Booklet explains the important details of the Plan so you know how it works and the benefits it offers you and your family.
- The technical terms that are used throughout the Booklet are explained on pages 17 to 18.
- Contact the administrators, dc-Link, with any questions at pensionsadmin@dc-link.co.uk or on 01733 353430. Their address is dc-Link, Churchgate, 1 New Road, Peterborough, PE1 1TT.

TO DO

- Read this Booklet and the other Plan documents included in the pack.
- If you have any questions, contact the Plan's administrators, dc-Link (contact details above).
- If you are on a permanent contract, fill in the Plan's Contribution and Investment and Expression of Wish Forms and return them to your human resources department.
- If you are on a temporary contract, decide if you would like to join. If you would like to join, fill in the Application, Contribution and Investment and Expression of Wish Forms and return them to your human resources department.
- After you have joined the Plan, remember to review your investment choice regularly and keep your Expression of Wish Form up-to-date.
- For information about the Plan, visit the website at www.dc-link.co.uk/alstom

Important things to note:

- **The Plan is contracted-in to the State Second Pension. This means that, as a member of the Plan, you also build up the Basic State Pension and the State Second Pension.**
- **This Booklet does not provide advice about your pension. If you would like advice please contact a financial adviser. Neither the Company nor the Trustee can provide financial advice. You can find a financial adviser by visiting IFA Promotion's website at www.unbiased.co.uk**
- **The Plan is set up and run as a trust. This means that the Plan's assets are held separately from the Company. In addition the Administration Expenses of running the Plan are met from an additional contribution from the Company for this purpose.**
- **The Trust Deed and Rules of the Plan set out your rights to benefits. If there is any conflict between this Booklet and the Trust Deed and Rules, the Trust Deed and Rules will prevail.**

How does the Plan work?

The main features of the Plan

- A retirement savings account (called an Individual Account) is set up in your name.
- Both you and your employer contribute to your Individual Account.
- You get automatic tax relief on your contributions through payroll.
- You decide how your Individual Account is invested in the choice of the investment funds offered by the Plan.
- When you retire, your accumulated Individual Account will be used to provide the retirement benefits you choose, including a pension and a tax-free cash lump sum. The size of your monthly pension will depend on the value of your Individual Account when you retire and the type of pension you buy. The cost of buying a pension will depend on market conditions when you retire.
- Your Dependants will receive benefits if you die before your pension starts.

What you need to know

- You and your employer contribute to your Individual Account.
- The size of your pension will depend on the value of your Individual Account when you retire and the type of pension you buy.

How do I join the Plan?

If you are employed on a permanent contract and not eligible to join another scheme, you automatically become a member on the date your employment starts.

You may choose not to join the Plan (please read 'Your choice' further on in this section).

If you are employed on a temporary contract, and not eligible to join another scheme, and want to join the Plan, you will need to fill in the Application Form that your human resources department will send you within three months of starting work.

All new Plan members must fill in and return the following forms:

- **Contribution and Investment Form** – this tells the Trustee how much you would like to contribute to the Plan and how you would like contributions to be invested.
- **Expression of Wish Form** – this tells the Trustee who you would like to receive the cash sum that will be payable if you die. However, the Trustee does not have to pay the money to the person named on the form.

What you need to know

- If you are employed on a permanent basis you join the Plan automatically.
- If you are employed on a temporary contract you need to fill in an application form.
- All the members must fill in the Contribution and Investment and Expression of Wish Forms.

If you do not complete the Contribution and Investment Form the Trustee will assume by default that you want to contribute 4% of your Pensionable Earnings to your Individual Account and that you want your Individual Account to be invested in the Accumulation Lifestyle Option with a Target Retirement Age of 65 (see the Guide to Investment Options for details).

You will have two months from the date that your employment starts to decide if you wish to continue with the default contribution rate. After this time, you will only be able to change your contribution rate once a year in April. However, subject to the Fund Manager's ability to carry out your request, you may change where you invest your funds at any time.

Your choice

You do not have to join the Plan and you may leave at any time while still working for Alstom.

This is called opting-out. Before deciding to opt-out, please think about the valuable benefits you and your Dependants will be giving up.

If you opt-out of the Plan your membership will end. You will no longer be able to make contributions to the Plan and you will no longer be eligible for Company contributions. You will also lose valuable death in service benefits. If you opt-out, the Company may not allow you another chance to join the Plan in the future.

If you wish to opt-out of the Plan, please fill in and return an Opting-Out Form, which you can print from the pensions website at www.pensions.uk.alstom.com or ask your human resources department. You will need to give a full month's notice, and you will stop being a contributing member at the end of the month following completion of this notice period.

Remember:
The Plan offers you and your family some valuable benefits, which you will lose if you decide not to join.

How much does it cost?

Both you and the Company contribute to the Plan.

Matched contributions

You have a choice about how much you pay to your Individual Account, subject to a minimum of 3% of your Pensionable Earnings. The Company will match your contributions, up to a maximum of 8% of your Pensionable Earnings.

Your contributions	Alstom's contributions
3%	3%
4%	4%
5%	5%
6%	6%
7%	7%
8% or more	8% (maximum)

Tax benefits can help your money to go even further, as you will receive tax relief at your highest rate on your contributions. So for example, if you pay basic rate tax (currently 20% for the 2010/2011 tax year) every £100 you contribute only costs you £80. If you pay higher rate tax you will receive tax relief at the higher rate (currently 40% for the 2010/2011 year) so each £100 contribution only costs you £60. Some higher rate taxpayers will receive two rates of tax relief on their contributions if their gross earnings (before pension contributions) are just above the higher-rate tax threshold. You do not have to do anything in order to benefit from this tax relief, as it happens automatically through payroll.

You stop paying contributions when you retire or leave the Plan (because you either stop working for Alstom or you opt-out of the Plan).

What you need to know

- You decide how much to contribute to your Individual Account subject to a minimum of 3% of your Pensionable Earnings.
- Your contributions qualify for tax relief so the reduction in your 'take home pay' is less.

Extra contributions

You can choose to build up extra benefits by making contributions above 8% of your Pensionable Earnings. These are known as Additional Voluntary Contributions (AVCs) and they qualify for tax relief in the same way as your regular contributions. Paying AVCs can be a cost-effective way to increase your benefits.

You may find AVCs useful if you:

- **want a bigger pension to enjoy the life you have planned for your retirement**
- **joined the Plan late on in your career so do not have long to build up your pension.**

You can choose to pay AVCs at any time throughout the year. Alstom will not match these contributions.

Remember:
When you retire, the value of your Individual Account will affect the amount of pension you receive.
Paying higher contributions and/or or making extra contributions to your Individual Account is a way to enhance your benefits.

How is my Individual Account invested?

You can decide how to invest your Individual Account. You need to fill in a Contribution and Investment Form confirming your investment decision.

The Plan's investment options are explained in detail in the Guide to Investment Options. You will find fact sheets on the Plan's funds on the member website at www.dc-link.co.uk/alstom

What you need to know

- Read the Guide to Investment Options for more information on the Plan's investment options.

What do I get when I retire?

At Normal Retirement Age (65)

When you retire, part of the value of your Individual Account can be used to provide a tax-free cash lump sum. The balance will be used to buy a pension from an external pension provider (usually an insurance company).

Please note that you may not be able to purchase a pension if the value of your Individual Account is very small. If this applies to you, the administrators will let you know the alternative options available.

How does it work?

Approximately six months before your Normal Retirement Age, the administrators of the Plan will contact you about your retirement options and will send you details of the value of your Individual Account and a questionnaire, which enables you to select the amount of tax-free cash and type of pension you may like to receive.

The administrator will then liaise with the Plan's annuity broker to provide you with quotations for various types of pension you might like to consider and details of how to set up your pension.

If you choose to accept one of the quotations provided by the annuity broker the Trustee will pay the expenses involved in setting up your pension as part of its Administration Expenses.

If you wish to buy an alternative type of pension then you will need to arrange the purchase yourself and the Trustee will not meet the associated expenses and charges.

The amount of the pension that you can buy will depend on:

- the value of your Individual Account at the time
- the cost of buying a pension at the time
- how much cash (if any) you decide to take
- the type of pension you buy (e.g. a pension that increases with inflation, or one that also provides pensions for your Dependants if you die).

It may also be affected by your personal circumstances, such as your health. If the nature of your illness is such as to reduce your future life expectancy, it may be possible to buy an annuity that takes this into account and pays out a higher annual pension.

Cash option

You have the option of taking part of your Individual Account as a cash lump sum.

The maximum amount of cash you may take is 25% of the value of your Individual Account. Under current tax laws, you do not pay tax on this amount. The remaining balance of your Individual Account will be used to buy a pension.

What you need to know

- You can elect to take up to 25% of the value of your Individual Account as a tax-free cash lump sum.
- The balance of your Individual Account will be used to buy a pension from the pension provider of your choice.
- If you choose a quotation offered by the Plan's annuity broker the expenses involved in setting up your pension will be met by the Trustee.
- Your Normal Retirement Age is 65.
- You may retire earlier (from age 55) or later, with the approval of the Company and Trustee. The Company is unlikely to consent to early retirement if you are under age 60, unless there are exceptional circumstances.

Lifetime allowance

There is a maximum amount of retirement savings that you can build up and still enjoy tax advantages. This is known as the Lifetime Allowance. If the total value of all of your retirement savings from the Plan and any other pension arrangements you have is greater than the Lifetime Allowance you will have to pay tax on the excess. You will find more information on the Lifetime Allowance on page 18.

If you think your benefits are likely to exceed this limit, you should seek independent financial advice. One way to find an adviser is to visit www.unbiased.co.uk

Remember:
If the total value of all of your retirement savings when you retire is greater than the Lifetime Allowance, you will have to pay tax on the excess. You should seek financial advice if you think this may be the case.

If you retire early

With the agreement of the Company and the Trustee you can retire early between ages 55 and 65. The Company is unlikely to consent to early retirement if you are under age 60, unless there are exceptional circumstances.

You can use the proceeds of your Individual Account to provide your retirement benefits in the same way as if you had retired at Normal Retirement Age. However, your Individual Account may be smaller and buy significantly less pension than at your Normal Retirement Age. This is because you will have contributed and earned investment returns for a shorter period, and it is likely that your pension will be paid for longer.

Ill-health benefits

The Company provides these benefits for contributing members of this Plan only and does so separately under an insured arrangement known as the Alstom Income Replacement Scheme. Details of the benefits available from the scheme and the terms of payment are described in the Guide to the Alstom Income Replacement Scheme.

If you retire late

If the Company agrees, you may continue working after Normal Retirement Age.

During this period both you and the Company may continue to make Plan contributions.

At the time of preparing this Booklet, you must start to receive your pension at age 75 at the latest.

Drawing a pension while still working

Subject to the usual early and late retirement conditions, you can, with the Company's consent, start drawing your pension and continue working for the Company. You must draw your entire pension, although (if the Company agrees) you can rejoin the Plan and start building a new Individual Account to provide further benefits but please note that the death benefits will be reduced if you die in service (see page 9).

Pension increases

When you buy your pension, you can decide whether you want your pension to increase each year and, if so, what level of increases you require.

The higher the level of increases that you buy, the lower the starting level of your pension will be.

Pension payments

Your pension provider will pay your pension payments directly into your bank or building society account. Your pension will be taxed at source in the same way as your salary through the Pay As You Earn (PAYE) system.

What would my family get if I died?

Still working for the Company and before drawing pension

As long as you continue to make contributions to the Plan, the following benefits will be paid:

- The current value of your Individual Account

  plus

- Four times your Pensionable Earnings in the last complete Plan year

  plus

- A lump sum equal to the Plan contributions that would have been paid by both you and the Company until your Normal Retirement Age. This amount will be calculated using the rate of contributions that you and the Company paid in the last complete Plan Year (limited to 8% a year for each party).

If you were not a member of the Plan for the whole of the previous Plan Year, your annual rate of Basic Salary at the date of joining the Plan will be used instead of Pensionable Earnings.

The total will be paid in cash to your Dependants or any other recipients that are deemed to be appropriate by the Trustee, or used to purchase a pension for your Dependants at the discretion of the Trustee.

Any lump sum payable will be tax-free below the Lifetime Allowance, but any lump sum payment above the Lifetime Allowance will be subject to tax. You will find more information on the Lifetime Allowance on pages 8 and 18.

What you need to know

- The Plan provides valuable death benefits for your Dependants.
- The benefits paid depend on whether you are still working for the Company and have begun to draw a pension or not.

Expression of Wish Form

The Trustee has the discretion to decide who receives any lump sum paid when you die before retirement. It will normally consider any of your Dependants together with anybody named in your will. It will also consider your wishes, as shown on your Expression of Wish Form. However, the Trustee does not necessarily have to follow your wishes. The reason for this discretion is that it normally enables the lump sum to be paid tax-free.

Please make sure that you fill in an Expression of Wish Form, so that the Trustee knows who you would like to receive the death benefit.

Please check your form regularly to ensure that it is up-to-date. You should always fill in a new form if your personal circumstances change (for example, if you get married or divorced). Forms are available from your human resources department or from the pensions website at www.pensions.uk.alstom.com

Remember:
Keep your Expression of Wish Form up-to-date so the Trustee knows your wishes.

After you retire

When you retire, you will choose what benefits you want your Dependants to receive when you die.

You will have the option to include a contingent dependant's pension and whether your pension has a guarantee period. A guarantee period means that if you die in the period selected (e.g. within five years of retirement), a lump sum benefit equal to the remaining unpaid pension payments in the guarantee period is payable.

The administrators will send you full details of the options available to you when you are approaching retirement.

What happens if I leave the Plan?

If you leave the Company or opt-out of the Plan you will no longer be able to make contributions to the Plan, and you will no longer be eligible for Company contributions. Your options on leaving are determined by how long you have been in the Plan.

What you need to know

- If you resign the pension benefits you have built up may be paid to you, transferred to another plan or preserved in the Plan until you retire.
- The option(s) that apply to you if you leave will depend on how long you have been a member.

With less than three months' membership

If you have less than three months' membership, you will receive a refund of the current value of that part of your Individual Account that reflects your own contributions. Tax is deducted from any refund.

With three or more months' but less than two years' membership

You have the following options:

- **Receive a refund** of the current value of that part of your Individual Account that reflects your own contributions. Tax is deducted from any refund.
- **Transfer the whole value** of your Individual Account to another registered pension plan, such as a new employer's plan.

If you do not choose the transfer option within a period set by the Trustee, that part of your Individual Account that reflects your own contributions will automatically be refunded and you will no longer have the option to transfer the whole value of your Individual Account.

With two or more years' membership

You have the following options:

- Leave your Individual Account invested in the Plan until you retire.
- Transfer the value of your Individual Account to another registered pension plan. This option can be chosen at any time before you retire.

Leaving your Individual Account in the Plan

If you choose to keep your Individual Account invested in the Plan it will continue to be invested in the same way as before.

You should continue to review your investments and attitude to investment risk and then, subject to the Fund Manager's ability to carry out your request, you may switch to any of the alternative funds offered by the Plan at any time before you retire.

You will receive a benefit statement each year, so please let the administrators know if your address changes. Please keep your Expression of Wish Form up-to-date if your circumstances change in the future. Details of this form can be found on page 9.

Remember:
If you leave your benefits in the Plan, please let us know if your address changes so we can keep in touch with you.

When you retire

At retirement, you can use your Individual Account to buy pension benefits and, if you choose, to provide a tax-free cash lump sum in the same way as described on page 7. Please note that the value of your Individual Account can fall as well as rise over the period until you retire.

The Plan allows early retirement between ages 55 and 65. You will need the agreement of the Trustee and the Company to retire early. The Company is unlikely to consent to early retirement if you are under age 60, unless there are exceptional circumstances.

You can use the proceeds of your Individual Account to provide your retirement benefits in the same way as if you had retired at Normal Retirement Age. However, your Individual Account may buy significantly less pension than it would have if you retired at Normal Retirement Age. This is because investment returns will have a shorter period to build up and it is likely that your pension will be paid for longer.

Transferring your benefits to another plan

If you have left the Plan and are considering transferring your pension benefits to another registered pension arrangement, such as your new employer's plan, or a personal or stakeholder pension, please note the following:

- You will need to contact the administrators of the Plan and ask for a statement that shows your current transfer value.
- You can transfer your benefits at any time before you retire, even if it is several years since you left the Plan.
- You may wish to take independent financial advice. Neither the Company nor the Trustee can provide this advice.

Please note that a transfer requires the approval of the receiving plan.

Transfers in

If you have transferred benefits into the Plan from a previous pension plan, your options on leaving will be different. You should contact the administrators if this applies to you.

Death after leaving the Plan

If you die after leaving the Plan, but before you take your benefits from the Plan, there are benefits for your Dependants.

If you die before you take your benefits from the Plan (either before or after age 65), the Trustee will pay the value of your Individual Account as a cash lump sum to your Dependants, or any other recipients that are deemed to be appropriate by the Trustee. Alternatively, the Trustee may exercise discretion to buy a pension for your Dependants.

If you die after you take your benefits from the Plan, the benefits that are paid to your Dependants will depend on the type of pension you bought when you retired.

Where can I find information about the Plan?

Your pension planning is important. To help you the Trustee is committed to ensuring that you have all the information you need about the Plan.

Online

dc-Link's member website

www.dc-link.co.uk/alstom

This contains up-to-date information on your Individual Account, including the current value of your Individual Account and your contributions history as well as fact sheets on the Plan's investment funds.

Pensions website

www.pensions.uk.alstom.com

This contains information, news and documents about the Plan in general.

Information for members

In addition to this Booklet, each year you will receive a benefit statement, which sets out the benefits that are building up for your retirement and for your family in the event of your death. This will include a Statutory Money Purchase Illustration which illustrates what your future pension might be, adjusted to take account of inflation.

You can request other information about the Plan. For example, you may ask to see the Statement of Investment Principles drawn up by the Trustee. If there is anything else you would like to know about your benefits or about the Plan in general, please contact the administrators of the Plan at the address, email address or telephone number shown on page 3.

Remember:
Make use of all the sources of information that are available about the Plan.

Additional information

State pensions

There are two parts to the State pension:

- **The Basic State Pension; and**
- **The State Second Pension (S2P)**

The Basic State Pension

The Basic State Pension is a weekly benefit paid from State Pension Age.

Everyone who has paid sufficient National Insurance contributions receives the Basic State Pension. The amount you receive depends on the number of qualifying years you have built up over your working life.

In the tax year 2010/2011, the full Basic State Pension for a single person is £97.65 per week.

The State Second Pension

In addition to the Basic State Pension, there is a further State pension called the State Second Pension (S2P).

S2P is payable from State Pension Age and is related to your earnings.

The Plan is "contracted-in" to S2P. This means that while you are a member of the Plan you also build up benefits in S2P.

Finding out what your State pension might be

To find out what your State pension might be:

- Call the Government's State pension forecast team on **0845 3000 168**. They will fill in the **'State Pension forecast' form (BR19)** for you over the phone.
- Download the form from www.direct.gov.uk/pensions

What you need to know

- In addition to your benefits from the Plan and any other plans that you have been a member of, you are also entitled to State pension benefits.

General information

The Plan is set up under trust and is managed according to a Trust Deed and Rules. The Plan assets are kept entirely separate from the Company's assets. The Plan is registered with HM Revenue & Customs (HMRC), which gives the Plan some valuable tax advantages.

Trustee

The trust is administered by a corporate trustee. The Trustee has a legal duty to act in the best interests of all members and their Dependants at all times and to ensure that the Plan is operated in accordance with the Trust Deed and Rules.

The Trustee appoints professional advisers to help it run the Plan. These include administrators, auditors, investment managers and solicitors.

Tax

The Plan is registered with HMRC. This gives the Plan some valuable tax advantages:

- **You receive tax relief on all the payments you make to the Plan.**
- **The cash sum paid out when you retire, or if you die before retirement, is normally tax-free.**

The Plan also benefits from reduced tax on some of its investment income. In return, HMRC has rules about the amounts you can pay into the Plan and the benefits that the Plan can pay out. These rules include the Lifetime Allowance and the Annual Allowance, which generally only affect people with high incomes. See pages 17 to 18 for more information.

Changing or ending the Plan

The Company has the power to end the Plan at any time, in accordance with the Trust Deed and Rules. With the Trustee's permission, the Company also has the power to change the Trust Deed and Rules of the Plan. Any changes must satisfy the appropriate legal requirements.

Transfers in

It may be possible to transfer the value of a pension from a previous personal or company pension plan into the Plan with the Company's consent.

Maternity leave, paternity leave and family leave

If you are absent on statutory maternity, paternity or family leave, your membership of the Plan will continue.

You will continue to pay contributions, but these will be based on your actual pay during your period of leave.

The Company's contributions will be based on your full pay before maternity/paternity/family leave. In addition, the Company will make a further contribution to top up your contributions to those based on your full pay before maternity/paternity/family leave.

You will continue to be covered for the death in service benefits described on page 9 throughout your period of absence as long as you are expected to return to work.

During any unpaid maternity, paternity or family leave (up to six months) the Company may agree to pay both its contributions and your contributions, based on your full pay before maternity/paternity/family leave.

If you do not return to work at the end of your maternity, paternity or family leave, you will be treated as leaving service and benefits will be payable as described on page 10.

Temporary absence

If you have a period of temporary absence, please speak to the administrators of the Plan about your options and the impact on your benefits.

Pensions and divorce

If you divorce, the court has the option to split your pension between you and your former spouse. This can happen even if you are already receiving a pension. Part of your pension will then belong to your former spouse. This process is known as 'pensions sharing'. Your pension will be reduced to reflect the amount transferred to your former spouse.

You can obtain further details from the Citizens Advice Bureau or your legal adviser.

Sorting out problems

If you have a question about the Plan, the administrators of the Plan will usually be able to answer it.

However, if you are not satisfied with the response, there is a formal procedure for sorting it out. You can get a copy of the full procedure from the administrators of the Plan.

Other organisations that can help

These organisations can help you and your family with any questions or concerns that you have about your pension arrangements:

The Pensions Advisory Service (TPAS)

TPAS is an independent and voluntary organisation. It provides free help and advice to members and beneficiaries in connection with any pensions query or difficulty which they have failed to resolve with the trustee or administrators of a pension plan.

Pensions Ombudsman

The Pensions Ombudsman can investigate and make a decision about any complaint or dispute of fact or law about occupational pension plans.

Both TPAS and the Pensions Ombudsman can be contacted at:

11 Belgrave Road
London
SW1V 1RB

The Pensions Regulator

The Pensions Regulator is a regulatory body. It is able to intervene in the running of plans where the trustee, employers or professional advisers have failed in their duties.

The Pensions Regulator can be contacted at:

Napier House
Trafalgar Place
Brighton
East Sussex
BN1 4DW

IFA Promotions

If you would like advice about your pension planning, you should speak to an independent financial adviser. To find an adviser near you visit www.unbiased.co.uk

The Pensions Tracing Service

You may have previously been a member of other pension arrangements, but no longer have the contact details. The Pensions Tracing Service, operated by The Department of Work and Pensions, has been set up to help people who have lost contact with their former plans.

If you think you have a benefit that you need to trace you can fill in a 'pensions tracing' form available from The Pensions Service or from their website at www.direct.gov.uk/pensions

The Pensions Tracing Service can also be contacted at:

Pensions Tracing Service
The Pensions Service
Tyneview Park
Whitley Road
Newcastle upon Tyne
NE98 1BA

Information about the Alstom Defined Contribution Plan has been supplied to the Pensions Tracing Service.

Remember:
The Pensions Tracing Service can help you find a pension from a previous employer that you have lost track of.

Looking after your data

Data about you is held for the purposes of administering and operating the Plan and paying benefits. The Trustee may pass this data to the Company and to other relevant parties, such as the Plan's auditor, administrator, annuity broker, life insurance broker, life assurance company, investment advisers and investment managers solely for the purposes of them carrying out the running of the Plan on behalf of the Trustee.

It is a condition of membership of the Plan that you agree to this. If you want to know more about the details that are held about you, please contact the Secretary to the Trustee at:

Secretary to the Trustee
ALSTOM Defined Contribution Pension Trustee Ltd
Newbold Road
Rugby
CV21 2NH

ALSTOM Defined Contribution Pension Trustee Ltd is registered with the Information Commissioners Office and ensures that all of its providers have adequate Data Protection Policies before providing them with any data about you.

The legal background

Statements made in this Booklet about legislative or tax issues are based on the Trustee's understanding of these issues at the date of this edition of the Booklet. These statements are subject to both changes in legislation and to changes in HM Revenue and Customs practice.

The Company's obligation to contribute to the Plan is provided for in the Trust Deed and Rules and by overriding legislation. Nothing in this Booklet imposes any requirement on the Company to contribute to the Plan to any greater degree than required by the Trust Deed and Rules or by overriding legislation.

A participating employer in the Plan may terminate their participation in the Plan in accordance with the Trust Deed and Rules.

The Company reserves the right to amend or discontinue the Plan in accordance with the Trust Deed and Rules.

Nothing in this Booklet should be construed as giving investment advice. If you would like investment advice you should consider contacting an independent financial adviser.

This Booklet is intended as a summary of the provisions of the Trust Deed and Rules and does not contain all the details of the Trust Deed and Rules. In the event of a conflict between the Trust Deed and Rules and this Booklet, the Trust Deed and Rules will prevail.

Words with a special meaning

Additional Voluntary Contributions (AVCs)

Extra contributions that you can choose to pay into the Plan to increase your future pension benefits.

Administration Expenses

The Trustee appoints advisers, auditor, administrator, annuity broker, life assurance broker, life assurance company, investment advisers and brokers who invoice the Plan for their services. The Company pays additional contributions to the Plan to meet these fees. Whilst the Company continues to make this additional contribution, the Trustee does not need to pass any of the expenses onto members.

Annual Allowance

The Annual Allowance is an annual limit on the contributions to all your pension arrangements. Contributions paid in excess of the Annual Allowance are taxed. The Annual Allowance for the 2010/2011 tax year is £255,000. For more up-to-date information on the Annual Allowance, visit the HM Revenue & Customs website at www.hmrc.gov.uk

Basic State Pension

The flat-rate pension paid by the Government to all pensioners who have paid sufficient National Insurance Contributions.

Company

ALSTOM Ltd, the Plan's principal employer. In the case of paying contributions to your Individual Account or the Plan's expenses this is your employer, if you are not employed by ALSTOM Ltd.

Dependant

- The person you are married to or in a registered civil partnership with when you die.
- Your children until they reach age 23.
- Any other person who:
  - » was not married to you or in a registered partnership with you at the date of your death; and
  - » was not your child; and
  - » at the date of your death was, in the opinion of the Trustee, financially dependent on you or financially interdependent with you, or dependent on you because of physical or mental impairment.

Fund Manager

The person who is responsible for deciding how the money invested in a fund will be split between different assets (e.g. equities, bonds, property and cash), in accordance with the objectives of the fund.

Individual Account

The account maintained in your name, to which your contributions and those of the Company are allocated. You decide how your account is invested. The value of your account will depend on how the investments perform. The relevant investment expenses and charges will be deducted from your account.

Lifetime Allowance

The Lifetime Allowance is the maximum level of pension saving that can normally benefit from favourable tax treatment. When benefits come into payment, they are tested against the Lifetime Allowance. If the Lifetime Allowance is exceeded, a tax charge must be paid on the value of benefits above the Lifetime Allowance. The Lifetime Allowance for the 2010/2011 tax year is £1.8 million. For up-to-date information on the Lifetime Allowance, visit the HM Revenue & Customs website at www.hmrc.gov.uk

Normal Retirement Age

65.

Pensionable Earnings

Your basic pay plus other fixed allowances decided by the Company from time to time. You can get an up-to-date list of the allowances included from the administrators of the Plan.

Plan

The Alstom Defined Contribution Plan.

Plan Year

6th April to the following 5th April.

State Pension Age

The age when people start to receive the Basic State Pension and any State Second Pension benefits. It is currently 65 for men and 65 for women born after 5 April 1955. It is 60 for women born before 6 April 1950. For women born between 6 April 1950 and 6 April 1955, the State Pension Age falls between ages 60 and 65. You will find a state pension age calculator on www.direct.gov.uk/pensions

The State Pension Age for both men and women will rise from 65 to 68 in stages between 2024 and 2046.

State Second Pension (S2P)

The additional State pension that replaced the State Earnings Related Pension Scheme (SERPS) in April 2002.

Target Retirement Age

You can specify the age at which you expect to retire. This is known as your Target Retirement Age. If you do not select a Target Retirement Age, the Trustee will assume a Target Retirement Age of 65. See the Guide to Investment Options for more information.

Trust Deed and Rules

A document, as amended from time to time, which sets up the trust under which the Plan operates and sets out the full details of your benefits.

Trustee

ALSTOM Defined Contribution Pension Trustee Ltd is a corporate trustee whose purpose is solely to act as the Trustee who manages the Alstom Defined Contribution Plan. The Company draws its Directors from nominations from contributing members and those it directly appoints.

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ALSTOM

Alstom Defined Contribution Plan

Salary Sacrifice for pension contributions:
an addendum to your Member Booklet

An efficient way for contributions to be paid to the Plan

All you need to know about Salary Sacrifice for pension contributions

UNITED KINGDOM
Pensions

ALSTOM

ALSTOM Ltd (the 'Company') provides Salary Sacrifice for pension contributions. This is an efficient way for contributions to be paid to the Alstom Defined Contribution Plan (the 'Plan') designed to help save you money as you save for retirement.

This guide tells you what you need to know about Salary Sacrifice for pension contributions, and supplements the information in your Member Booklet about the Plan. This guide should be read together with your Member Booklet.

New joiners to the Plan

New joiners to the Plan do not need to do anything in order to take part in Salary Sacrifice for ordinary pension contributions.

You will be enrolled in Salary Sacrifice automatically when you join the Plan, based on the contribution levels you select on your Contribution and Investment Form.

If you do not complete the Contribution and Investment Form, the default options will apply to you so ordinary contributions will be made through Salary Sacrifice at the rate of 4% of Pensionable Earnings and your Individual Account will be invested in the Accumulation Lifestyle Option with a Target Retirement Age of 65 (see the Guide to Investment Options for details). You will have two months from the date on which you join the Plan to change the default contribution rate. After this time, you will only be able to change the contribution rate with effect from 6 April each year. (See page 4 of the Member Guide.) You may change the way you invest your Individual Account and/or future contributions at anytime.

If you also want to take part in Salary Sacrifice for regular Additional Voluntary Contributions, you can elect to do so but you will not be enrolled automatically. If you wish to enrol then see the section on page 4 headed 'Signing up to Salary Sacrifice for pension contributions'.

How Salary Sacrifice works

Salary Sacrifice arrangements allow companies to provide employees with certain pension benefits in a way that reduces the amount of National Insurance that has to be paid.

If you are taking part in Salary Sacrifice for pension contributions, you will not pay regular contributions to the Plan – instead, the Company will pay additional contributions to your Individual Account equal to the contributions that you would otherwise have paid (see pages 5 and 6 of the Member Booklet). Your basic contractual annual salary and pensionable fixed allowances will be reduced by an amount equal to the pension contributions that you would have paid if you had not been taking part in Salary Sacrifice.

If you are taking part in Salary Sacrifice, the references in the Member Booklet to contributions that you pay should be read as referring to the additional contributions that the Company pays in return for you agreeing to a reduction to your contractual pay.

Only regular pension contributions can be made through Salary Sacrifice i.e. matched ordinary contributions (see page 5 of the Member Booklet) and any regular Additional Voluntary Contributions ('AVCs') (see page 6 of the Member Booklet). One-off AVCs cannot be made through Salary Sacrifice – you can pay these out of your salary instead.

How you benefit

If you are eligible for Salary Sacrifice and have not reached State Pension Age, you will pay less National Insurance by taking part in Salary Sacrifice. This is because you pay National Insurance on your gross pay and when you take part in Salary Sacrifice your pay is reduced. (Remember that the reduction to your gross pay does not mean you are losing out. You have simply agreed to give up some of your contractual salary and pensionable fixed allowances in return for you not paying certain pension contributions and the Company paying additional contributions, of an equivalent amount, to your Individual Account instead.)

As a result of paying less National Insurance, your take home pay should be higher than if you were not taking part in Salary Sacrifice.

The savings that result from Salary Sacrifice will vary from member to member. Broadly members earning below the Upper Earnings Limit will benefit from a higher rate of National Insurance contribution savings than those members earning above this limit. (For the 2011/12 tax year, the Upper Earnings Limit is £42,484 a year.)

Salary Sacrifice and other Alstom benefits

Taking part in Salary Sacrifice for pension contributions results in a reduction in your pay. However it will not affect the amount of pension benefits you are building up in the Plan or any other payments or benefits that the Company provides based on your salary.

A Pre-Sacrificed Annual Salary (which is what your basic salary would have been if you had not taken part in any salary sacrifice arrangement) is recorded and used to calculate salary related payments and benefits that the Company provides. This means that pay increases and additional payments such as overtime and bonuses are calculated using the Pre-Sacrificed Annual Salary and not affected by participation in the salary sacrifice arrangement.

Your Pensionable Earnings under the Plan will be calculated based on what your basic salary and pensionable fixed allowances would have been if you had not been taking part in any salary sacrifice arrangement.

The Company will also explain that you are participating in a Salary Sacrifice arrangement and provide your Pre-Sacrificed Annual Salary if you are applying for a mortgage or loan.

Benefits if you leave the Plan

(see also page 10 of the Member Booklet)

The Plan rules allow for members who leave the Plan with less than two years' membership to receive a refund of the contributions they have paid (adjusted for investment returns).

If you are taking part in Salary Sacrifice, you do not pay regular contributions to the Plan so there may not be any member contributions to be refunded from the Plan if you leave with less than two years' membership. However, to compensate for this, if you leave the Plan in circumstances where you would be eligible for a refund of contributions if you had not taken part in Salary Sacrifice, the Company will make a payment to you equivalent to the contributions that you would have paid if you had not taken part in Salary Sacrifice (adjusted for investment returns). This payment will be reduced by income tax and National Insurance contributions.

Any contributions paid out of your salary rather than through Salary Sacrifice will, in these circumstances, be refunded from the Plan.

If you are absent from work

The Company will continue to make pension contributions to the Plan during any period when you are receiving an absence related payment. These pension contributions will be based on your Pensionable Earnings immediately before you went on leave.

Salary Sacrifice and State benefits

Contribution based benefits

Some State benefits (such as the basic State pension, employment and support allowance, and jobseeker's allowance) are based on the National Insurance contributions you pay. This means that taking part in Salary Sacrifice might affect your entitlement to these benefits, either while you are working for the Company or in the future.

To build up an entitlement, you need to earn over the Government's Lower Earnings Limit (which in the 2011/12 tax year is £5,304 a year).

To ensure that no one's entitlement to contribution based State benefits will be adversely affected by taking part in Salary Sacrifice for pension contributions, the Company will not let an employee take part if his or her annual basic salary is below a minimum threshold (£7,500 as at April 2011). This minimum threshold will be reviewed each year.

Earnings related benefits

Certain State benefits such as the State Second Pension are based on your level of earnings after any Salary Sacrifice has taken place.

If your pay (after reduction as a result of Salary Sacrifice) is between the Government's Lower Earnings Threshold (£14,100 in the 2011/12 tax year) and the Upper Accrual Point (£40,040 in the 2011/12 tax year), taking part in Salary Sacrifice for pension contributions may reduce the amount of the State Second Pension you build up.

Although the Company cannot give a guarantee, for most members it is expected that the savings in National Insurance contributions as a result of taking part in Salary Sacrifice will be greater than the value of the loss in State Second Pension.

Work related payments

Certain state benefits (such as statutory maternity, paternity, adoption and sick pay) are based on average weekly earnings. Taking part in Salary Sacrifice reduces these earnings, meaning the amount of these work related payments could be reduced as a result of taking part in a Salary Sacrifice arrangement.

However, the checks the Company has built in to Salary Sacrifice mean that the only payments likely to be affected are the first six weeks of Statutory Maternity Pay (which is based on 90% of average weekly earnings).

If you are taking part in Salary Sacrifice you can ask the Company to allow you to opt out if you become pregnant. If you would like further details please contact your HR partner.

Signing up to Salary Sacrifice for pension contributions

New joiners to the Plan will be enrolled automatically in Salary Sacrifice for ordinary pension contributions (see the section headed 'New joiners to the Plan' on page 2).

Existing members of the Plan who initially chose not to take part in Salary Sacrifice can choose to enrol for ordinary pension contributions from 6 April each year by completing an Annual Contribution Change Form.

All members can elect from 6 April each year, for regular AVCs to be made through Salary Sacrifice. If this is something you want to do, please complete and return the Annual Contribution Change Form.

If you are one of the very small number of employees who are not eligible to take part in Salary Sacrifice for pension contributions the Company will contact you separately. There are two situations where this might apply:

1. If the Company is aware that taking part would adversely affect your entitlement to contribution-based State benefits (see the section headed 'Salary Sacrifice and State benefits').
2. If the Company is aware that taking part would reduce your pay below the UK National Minimum Wage. In this case, the Company would have to exclude you from Salary Sacrifice in order to comply with the minimum wage legislation.

Changing your Salary Sacrifice arrangements

The occasions on which you may be able to change the amount of contributions being made through Salary Sacrifice are as follows.

Lifestyle Events

If you experience one of the lifestyle events listed below, you can request a change to the level of regular AVCs that you may be making through Salary Sacrifice or opt out of Salary Sacrifice (you will need the Company's consent to either of these changes). Please contact your HR partner for more details.

Lifestyle events involve a major change in your life or working pattern and include:

- Getting married, entering into a civil partnership or moving in with a partner
- Going through a separation, getting divorced, having a civil partnership dissolved
- Becoming pregnant or on the birth or adoption of a child
- The death of a partner or dependant
- Going on, or returning from, leave with reduced pay (or no pay at all)
- A significant change to your working hours or pay
- Your husband, wife or partner losing their job
- Moving overseas to work
- Moving back to the UK to work

If the Company has previously informed you that you are not eligible to take part in Salary Sacrifice, but your situation changes and you subsequently become eligible, this also counts as a lifestyle event.

At annual renewal (6 April)

You can only change your chosen rate of ordinary contributions from 6 April each year.

Unless you experience a lifestyle event, you will only be able to change your chosen rate of regular AVCs from 6 April each year if you choose to make these through Salary Sacrifice. If you want to increase your AVCs during the year (either on a regular basis or as a one-off), you can do so by paying additional AVCs out of your salary rather than through Salary Sacrifice.

Each year, in advance of the annual renewal date (6 April), the Company will review members' eligibility to take part in Salary Sacrifice for pension contributions.

- If you are already taking part in Salary Sacrifice for pension contributions the arrangements in place at that time will continue automatically, unless you indicate that you want to change ordinary contribution rates or the level of AVCs being made through Salary Sacrifice. You will not be allowed to opt out of Salary Sacrifice for ordinary pension contributions unless you experience a lifestyle event or fail an eligibility condition.
- If you want to switch ordinary contribution rates for the following Plan year or change the level of any regular AVCs being made through Salary Sacrifice, you can do so by completing and returning the appropriate forms. (The Company will write to remind you of your options around February of each year.)

If you need more information

If you have any questions about Salary Sacrifice for pension contributions, please contact your HR partner and, for general queries about the Plan, please contact the administrators dc-Link.

More detailed information about salary sacrifice arrangements is available on the HM Revenue & Customs website. www.hmrc.gov.uk/specialist/salary_sacrifice.htm

If you want some advice

It is not possible for the Company to know each member's circumstances and the law does not allow anyone employed by the Company to provide individual financial advice.

If you feel that financial advice would be helpful, www.unbiased.co.uk provides details of independent financial advisers (IFAs) in your area. It is important to check that whoever advises you on financial services and products is qualified and authorised to do so. Visit the Financial Services Authority website at www.fsa.gov.uk/register/home.do or phone their consumer helpline on 0845 606 1234.

The Consumer Financial Education Body (CFEB) provides information for consumers on all aspects of financial planning, including how to find an adviser and what questions to ask. Visit the CFEB website at www.moneymadeclear.org.uk or phone 0300 500 5000 (call rates may vary).

Please remember that you may have to pay for any advice that you receive.

The Company intends to continue the Salary Sacrifice arrangement for pension contributions as long as it reduces the National Insurance contributions that members and the Company pay. However, the Company may alter or end this Salary Sacrifice arrangement at any time.

If there is a conflict between this booklet and the Plan's Trust Deed and Rules, the Trust Deed and Rules will override this booklet.

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