

UNITED KINGDOM

Pensions

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Private & Confidential

<Name>

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11 May 2012

Dear <Name>

Further information about joining the Group Pension Plan

Stephen Burgin and Helena Austin wrote to you earlier this week with an update on the new pension arrangement that ALSTOM Ltd ('the Company') is introducing from 1 July 2012, the ALSTOM Ltd Group Personal Pension Plan ('GPP').

We understand that you will be working overseas on 1 July 2012 and are paid through a local payroll (e.g. you are not considered to be tax resident in the UK and part of the UK tax system). Although you will be able to participate in the GPP, I need to bring to your attention some special conditions which must apply to your personal contributions.

Paying personal contributions to the GPP

You will not be able to make personal contributions to the GPP directly; but you can do so by paying them through the salary sacrifice arrangement.

The reason for the need to use the salary sacrifice arrangement in your case is due to the fact that you are not paying UK tax. Normally, your personal contributions to the GPP would be paid after deduction of UK tax, ie from your net-pay. Your contributions would be paid net of 20% tax, and the pension provider would then claim the tax back from HMRC and add it to your contribution. Obviously this cannot apply to someone who is not paying UK tax though, and therefore you cannot pay personal contributions to the GPP directly.

In addition, you will not ordinarily be able to make one-off additional contributions whilst you remain on the local payroll. If you did wish to make such a contribution please ring me to discuss.

However, salary sacrifice allows you to surrender a portion of your salary in exchange for an equivalent pension contribution made by the Company – this will be regarded as an **additional employer contribution**, and will be accepted by the GPP.

I enclose with this letter a short guide that explains how the Company will be arranging pension contributions to the GPP through salary sacrifice.

Please note that while the salary sacrifice arrangement will operate in a similar way to that described in the guide, this will be reflected in your hypo-tax calculations under Alstom's assignment policy. As such you will benefit from an increase in your net-pay as the hypo-tax calculations will now take in to account hypothetically lower UK National Insurance contributions.

Remember that you can find information about the Company's pension changes and Salary Sacrifice for pension contributions on the Alstom Pensions website at www.pensions.uk.alstom.com.

Please note the foregoing does not affect the regular employer contributions which the Company also pays into the GPP on your behalf.

What does this mean for me?

During the week commencing 14 May, Aviva will be sending you a pack which includes an application form. Irrespective of how you answer Section 2 of the form we will apply a default selection to you so that you are not opted-out of salary sacrifice.

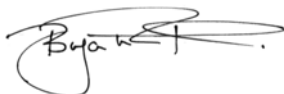
I will advise your Home Unit HR accordingly and ask them to ensure that your hypo-tax calculations are amended.

When you return to work in the UK and are paid through the UK payroll you will have an opportunity to opt out of salary sacrifice at that time as this is considered a "lifestyle" event.

You may wish to seek further advice regarding the tax implications of your participation in the GPP with your tax advisor.

Kind regards

Yours sincerely



Bryan W Radford
UK Benefits Director