

**EUROPEAN AGREEMENT on social commitments during the transition period of the Joint-venture between Alstom and Shanghai Electric on Boilers**

Between

Alstom Management,

Represented by

Mr Bruno Guillemet

SVP Group Human Resources

On the one hand,

The European Metalworkers' Federation

Represented by

Mr Bart Samyn

Deputy General Secretary

On the other hand,

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The following agreement is concluded:

Preamble:

Alstom has decided to join its forces and resources worldwide with Shanghai Electric Co. to create a 50/50 Joint-Venture in the field of large utility boilers.

The objective of the JV with Shanghai Electric on the Boilers activities is not to close or plan the decrease of the European entities brought by Alstom into the JV. It is to take the n° 1 position in the world in the Boilers Business. The social dialogue conducted on this project with the European Works Forum of Alstom has resulted in the latter request for the negotiation of a European agreement on the social terms and conditions of this Joint Venture for Alstom's European employees

The purpose of this agreement is to list the commitments, provide additional details and specify the scope, duration and follow-up procedure.

#### Article 1: A position for each employee

All employees included in the headcount of Boilers activities at the date of the JV will continue their employment and position in the JV created with SEC.

The characteristics of this position will maintain qualification, remuneration and years of service reference.

#### Article 2: Social commitments

The objectives of the JV are not to close or to decrease the European Entities brought by Alstom to the JV in order to ensure the workload of the Asian facilities.

- no site coming from the Boilers activities of Alstom will be closed in Europe throughout the duration of this agreement.

If relocation is needed, due to the separation of the Alstom and the JV businesses, another site would be researched around the same location (less than one hour of transport duration from the present site or approximately 10 kilometres' distance from the previous location). If necessary, this distance will be appreciated in coordination with the local employee representatives of the concerned sites.

- no plan concerning collective departures\* - other than voluntary - will be implemented in Europe throughout the duration of this agreement, unless economic conditions significantly deteriorate

\* in United Kingdom: dismissals linked to actions initiated by the company;

\* in France: Licenciements économiques ;

\* in Germany: betriebsbedingte Kündigung.

The adaptation of the organization or capacity that might be required to meet market needs will be submitted to consultation of the concerned employee representative instances, before implementation.

#### Article 3: Geographical application of the agreement

The present agreement concluded between the EMF and Alstom is applicable within the scope of Alstom European Works Forum and more specifically France, Germany and UK.

If the project of JV on Boilers were to involve employees from Switzerland or other European countries, the employees concerned at the time of the creation of the joint-venture would be integrated in the scope of this agreement without any need to rediscuss or amend the present agreement.

#### Article 4: Collective group agreements

National and local collective agreements will be transferred to the new Boiler companies in Europe according to European and national regulations providing the same level of benefits.

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This commitment includes the profit sharing scheme (accord de participation) for France employees and the pension scheme for United Kingdom employees.

Article 5: Non-regression and non-substitution

The present agreement cannot replace more favourable national legislations and/or conventions pre-agreed at company level, or at local, national or regional level.

Article 6: Social dialogue and follow-up of this agreement

The implementation of this agreement will be specifically followed up by the Power Working Group of the Alstom EWF with the extended participation of delegates from Boiler nominated by the Plenary of the EWF designated in July 2011, until the transfer of the Boiler activities to the JV.

After the transfer to the JV, a dedicated instance will be set up to follow-up the implementation of this agreement until the end of the transition period or until the set-up of the JV's own instances. Once a year, this instance will meet at the same time as the European Works Forum EWF of Alstom, with the participation of an EMF representative.

The Alstom Group has set up its European social dialogue instances since 1996 and has acquired positive experience of this type of exchanges. Alstom restates its belief in these instances and wishes to promote their existence within the joint-venture, in a format adapted to the JV's scope and needs. The Management and the Union Representatives of the JV will have to determine the better way to pursue the social dialogue in the perimeter of the new group and to contemplate the opportunity of the creation of group social bodies.

Article 7 : Duration

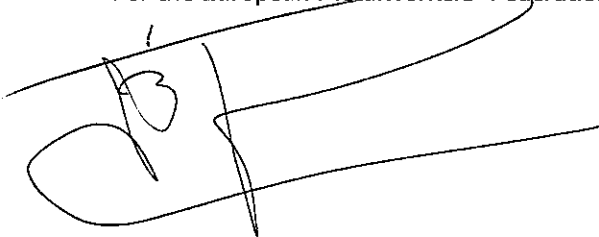
The present agreement will end with the end of the transition period, i.e. on 31/12/2014.

Signatures

For Alstom

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For the European Metalworkers' Federation

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and lines, written over a horizontal line.