



NOMINATIONS AND REMUNERATION COMMITTEE INTERNAL RULES

(as amended by the Board of Directors on 14 March 2023)

1. Membership

The Nominations and Remuneration Committee (hereinafter referred to as the “Committee”) shall consist of three members at least, including a Chairman, all appointed by the Board of Directors from among the Directors of ALSTOM. At least a majority of the Committee’s members must be independent including the Chairman. The term of office of a member of the Committee shall not exceed his or her term of office as a Director. The Board of Directors can, at any moment, revoke a member’s membership to the Committee.

The criteria according to which a Director’s independence is qualified are determined annually by the Board of Directors upon recommendation of the Committee in accordance with corporate governance principles that the Company abides by.

A Committee member cannot be a corporate officer of the Company with executive duties.

2. Responsibilities

The Committee shall be responsible for reviewing and recommending or proposing to the Board of Directors on the following:

- Whether or not the roles of Chairman of the Board and Chief Executive Officer are unified or separated;
- The nomination (and revocation) of the Chairman and of the Chief Executive Officer;
- The Board and Committees composition that it reviews at least annually, especially in terms of competences, and functioning;
- The renewal of Directors of which mandate is about to expire, and the nomination of new Directors, including in case of vacancy, on the basis of the selection procedure described in annex, as well as the revocations of Directors;
- The nomination (and revocation), upon proposal of the Chief Executive Officer, of any other corporate officer of the Company and of members of the Leadership Team;
- The succession plans for the corporate officers of the Company and of the members of the Leadership team;
- The compliance by the Company with corporate governance principles that the Company abides by, notably regarding the policy with respect to the remuneration of the corporate officers. The Committee advises the Board on the part of the annual report dedicated to the shareholders’ information on these matters and on Board’s work;
- The Company’s definition of an “independent Director” and the list of independent Directors to be inserted in each Company’s annual report;

- The whole of the elements comprising the compensation of the corporate officers of the Company, including any award of stock options or performance-based shares, as well as compensation and benefits of any kind (including pensions and termination benefits) also paid to them by the Company or companies belonging to the Group. The Committee shall notably review and define the rules for determining the variable part, shall ensure its coherence with the corporate officers' annual performance evaluation and the strategy of the Company, and thereafter assess annually the implementation of these rules;
- The Company's general policy relating to stock option plans including the granting timing and frequency, and any stock option plans to be proposed including the proposed beneficiaries;
- The Company's general policy relating employee share purchase schemes and any schemes to be proposed;
- The Directors' remuneration and its granting conditions.

The Committee is informed by the Chief Executive Officer of the compensation of the Leadership Team and of the modalities of determination of this compensation.

In addition, the Committee reviews every year the Company's social rights and human capital key policies, commitments and main initiatives related to Health & Safety, Well-Being at work, Employment & working conditions (Diversity & Inclusion, Pay equity, Benefits, Talent management, Corporate culture), Employees representation & social dialogue (in case of specific event such as restructuring).

The Committee prepares and submits to the Board of Directors for approval the annual evaluation of the functioning of the Board and its Committees (including its own functioning) which, every three years, is the subject of a formal evaluation procedure carried out with the assistance of an external consultant. In any event, it shall devote an item on its agenda annually to a debate on the functioning of the Board of Directors and its Committees.

The Committee also prepares the annual evaluation of the Company's corporate officers without the presence of the corporate officers concerned.

The Committee shall perform any other related activities as the Committee or the Board of Directors deems necessary or appropriate.

3. Operating procedures

The Committee shall meet at least three times a year at the convocation of its Chairman or the Chairman of the Board of Directors, upon reasonable prior notice or without delay in case of urgency, and in any case prior to any Meeting of the Board of Directors whose agenda contains an item relating to the Committee's responsibility. In addition, each member may propose a Meeting if he or she sees the need to discuss particular matters. Convening of the Committee may be done by any means, including verbally.

A quorum of at least half of the members present is required for a Committee Meeting to take place, of which two members shall be independent.

The Chairman of the Committee shall appoint a Secretary of the Committee.

Materials related to the Meeting's agenda items are to be provided to the members sufficiently in advance of the Meeting, and whenever possible at least two days before the Board Meeting which will follow such Meeting, to allow review by the members.

The Committee shall meet with any officers of the Company it may think necessary.

The Committee shall have authority to retain such outside independent counsel, experts and other advisors and to determine their fees and retention terms as it deems appropriate from time to time and in its sole discretion, while expenses associated with the use of this authority will be borne by the Company.

The Committee may request all information as well as training necessary to perform its tasks.

On invitation by the Chair of the Committee, the Chief Executive Officer of the Company may attend all or part of the Meetings except on items relating to him.

Meetings of the Committee may be held in person, by telephone or videoconference using any means for the exchange of documents (mail, telecopy or electronic transfer), which permit the agenda and preliminary documents to be transmitted to members; the list of participants to be drawn up; and which permit members to exchange opinions and to establish the Committee's recommendations, proposals, conclusions and comments.

The Committee's recommendations, proposals, conclusions and comments are decided by the majority of these Committee members attending the Meetings, each member holding one vote. In the event that votes are equally shared, the Chairman will cast the deciding vote.

The minutes of Meetings shall be prepared by the Secretary of the Committee for approval of the Chairman of the Committee and the other members of the Committee. Once approved, the Secretary shall keep the Minutes of the Committee Meetings.

4. Report to the Board

The Chairman of the Committee or the member designated by the Committee when the Chairman is unavailable, shall in due course submit a summary of the Committee's recommendations, proposals, conclusions and comments to the Board of Directors and its Chairman.

The Committee shall review at least annually the adequacy of these rules of the Nominations and Remuneration Committee and recommend any proposed changes to the Board of Directors for approval.

A summary of the activity of the Committee during the elapsed year is included in the Company's annual report and is presented to the annual shareholders meeting.

ANNEX

Selection procedure of the Board members

The Board of Directors, on recommendation of the Nominations and Remuneration Committee, reviews regularly, at least once a year, its composition and that of its Committees in order to be able to fully fulfill all of its missions in terms of operational and industrial skills, financial, audit of accounts and risks, ethics and compliance, social, environmental and governance considerations, the objective being that its composition is, at all times, aligned with all the challenges and strategy of the Company.

In order to meet this objective, the Board of Directors shall at all times ensure:

- the complementarity of skills assessed on the basis in particular of the training and experience of each director, this complementarity being reflected in a so-called skills matrix;
- diversity assessed in a personal way on the basis of several criteria, responding, where applicable, to regulatory requirements:
 - nationality and/or international profile,
 - operational and industrial skills,
 - age,
 - gender,
 - the absence of exceeding the rules on the cumulation of mandates,
 - independence,
 - seniority on the Board of Directors,
 - the specific needs identified within a Committee,
 - the representation of a shareholder/employees

Independent Directors, whether newly appointed or co-opted, are thus subject to a selection procedure that takes into consideration, at all times, the Company's needs analyzed on the basis of the above elements. This procedure, led by the Chairman of the Nominations and Remuneration Committee, acting in coordination with the Chairman and Chief Executive Officer, and the Nominations and Remuneration Committee, is entrusted to a specialized external firm. The Committee also conducts its own studies on potential candidates before approaching them.

The Committee also analyzes, on the basis of these same elements, the profile of an independent Director whose term of office is coming to an end and, following its analysis, decides whether or not to recommend his/her renewal to the Board of Directors.

In addition, the other Directors who compose it (Directors representing shareholders, Directors representing employees), the Board of Directors, on the recommendation of the Nominations and Compensation Committee, reviews them to ensure their ability to adhere to the culture deployed within the Board.