UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT



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| UNITED STATES OF AMERICA | CRIMINAL NO. 14-CR-246 |
| v. | VIOLATION: |
| ALSTOM S.A. | 15 U.S.C. § 78m(b)(2)(A)<br>15 U.S.C. § 78m(b)(2)(B)<br>15 U.S.C. § 78m(b)(5)<br>15 U.S.C. § 78ff(a)<br>18 U.S.C. § 2 |

# PLEA AGREEMENT

The United States of America, by and through the Department of Justice, Criminal Division, Fraud Section, and the United States Attorney's Office for the District of Connecticut (collectively, the "Department of Justice" or the "Department"), and the Defendant, ALSTOM S.A. (the "Defendant"), by and through its undersigned attorneys, and through its authorized representative, pursuant to authority granted by the Defendant's Board of Directors, hereby submit and enter into this plea agreement (the "Agreement"), pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure. The terms and conditions of this Agreement are as follows:

## The Defendant's Agreement

1. Pursuant to Fed. R. Crim. P. 11(c)(1)(C), the Defendant agrees to waive its right to grand jury indictment and its right to challenge venue in the District Court for the District of Connecticut, and to plead guilty to a two-count criminal Information charging the Defendant with one count of violating the books and records provisions of the Foreign Corrupt Practices Act of 1977 ("FCPA"), in violation of Title 15, United States Code, Sections 78m(b)(2)(A),

78m(b)(5), 78ff(a), and one count of violating the internal controls provisions of the FCPA, Title 15, United States Code, Sections 78m(b)(2)(B), 78m(b)(5), 78ff(a). The Defendant further agrees to persist in that plea through sentencing and, as set forth below, to cooperate fully with the Department in its investigation into the conduct described in this Agreement and other conduct related to corrupt payments and related false books and records and failure to implement adequate internal accounting controls.

2. The Defendant understands that, to be guilty of these offenses, the following essential elements of the offense must be satisfied:

Count One

a. The Defendant was an issuer of a security registered pursuant to Title 15, United States Code, Section 78l during the relevant time period; and

b. The Defendant did knowingly falsify its books, records, or accounts such that its books, records, or accounts did not fairly reflect the transactions and dispositions of the assets of the Defendant.

Count Two

a. The Defendant was an issuer of a security registered pursuant to Title 15, United States Code, Section 78l during the relevant time period; and

b. The Defendant did knowingly fail to implement a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions were executed in accordance with management's general or specific authorization; (ii) transactions were recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for assets; (iii) access to

assets was permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets was compared with the existing assets at reasonable intervals and appropriate action was taken with respect to any differences.

3. The Defendant understands and agrees that this Agreement is between the Department and the Defendant and does not bind any other division or section of the Department of Justice or any other federal, state, or local prosecuting, administrative, or regulatory authority. Nevertheless, the Department will bring this Agreement and the nature and quality of the conduct, cooperation and remediation of the Defendant, its direct or indirect affiliates, subsidiaries, and joint ventures, to the attention of other prosecuting authorities or other agencies, as well as debarment authorities and Multilateral Development Banks ("MDBs"), if requested by the Defendant.

4. The Defendant agrees that this Agreement will be executed by an authorized corporate representative. The Defendant further agrees that a resolution duly adopted by the Defendant's Board of Directors in the form attached to this Agreement as Exhibit 1, authorizes the Defendant to enter into this Agreement and take all necessary steps to effectuate this Agreement, and that the signatures on this Agreement by the Defendant and its counsel are authorized by the Defendant's Board of Directors, on behalf of the Defendant.

5. The Defendant agrees that it has the full legal right, power, and authority to enter into and perform all of its obligations under this Agreement.

6. The Defendant agrees to abide by all terms and obligations of this Agreement as described herein, including, but not limited to, the following:

a. to plead guilty as set forth in this Agreement;

b. to abide by all sentencing stipulations contained in this Agreement;

c. to appear, through its duly appointed representatives, as ordered for all court appearances, and obey any other ongoing court order in this matter, consistent with all applicable U.S. and foreign laws, procedures, and regulations;

d. to commit no further crimes;

e. to be truthful at all times with the Court;

f. to pay the applicable fine and special assessment; and

g. to fulfill the obligations described in Exhibit 3 and Exhibit 4.

7. Except as may otherwise be agreed by the parties hereto in connection with a particular transaction, the Defendant agrees that in the event the Defendant sells, merges, or transfers all or substantially all of its business operations as they exist as of the date of this Agreement, whether such sale(s) is/are structured as a stock or asset sale, merger, or transfer, the Defendant shall include in any contract for sale, merger, or transfer a provision fully binding the purchaser(s) or any successor(s) in interest thereto to the obligations described in this Agreement.

8. The Defendant shall cooperate fully with the Department in any and all matters relating to the conduct described in this Agreement and other conduct related to corrupt payments and related false books and records and failure to implement adequate internal accounting controls, subject to applicable law and regulations (including Articles 1 and 1 bis of French Law No. 68-678 of July 26, 1968, as amended by Law No. 80-538 of July 6, 1980 (the "Blocking Statute"), until the date upon which all investigations and prosecutions arising out of such conduct are concluded. At the request of the Department, the Defendant shall also cooperate fully, subject to applicable law and regulations including the Blocking Statute, with

other domestic or foreign law enforcement and regulatory authorities and agencies, as well as MDBs, in any investigation of the Defendant, its affiliates, or any of its present or former officers, directors, employees, agents, and consultants, or any other party, in any and all matters relating to the conduct described in this Agreement and other conduct related to corrupt payments and related false books and records and failure to implement adequate internal accounting controls. The Defendant agrees that its cooperation pursuant to this Paragraph shall include, but not be limited to, the following:

a. The Defendant shall truthfully disclose all factual information not protected by a valid claim of attorney-client privilege or work product doctrine with respect to its activities, those of its affiliates, and those of its present and former directors, officers, employees, agents, and consultants, including any evidence or allegations and internal or external investigations, about which the Defendant has any knowledge or about which the Department may inquire. This obligation of truthful disclosure includes, but is not limited to, the obligation of the Defendant to provide to the Department, upon request, any document, record or other tangible evidence about which the Department may inquire of the Defendant, consistent with applicable law and regulations as described above.

b. Upon request of the Department, the Defendant shall designate knowledgeable employees, agents or attorneys to provide to the Office the information and materials described in Paragraph 8(a) above on behalf of the Defendant. It is further understood that the Defendant must at all times provide complete, truthful, and accurate information.

c. The Defendant shall use its best efforts, consistent with applicable law and regulations as described above, to make available for interviews or testimony, as requested by the Department, present or former officers, directors, employees, agents and consultants of the

Defendant. This obligation includes, but is not limited to, sworn testimony before a federal grand jury or in federal trials, as well as interviews with domestic or foreign law enforcement and regulatory authorities. Cooperation under this Paragraph shall include identification of witnesses who, to the knowledge of the Defendant, may have material information regarding the matters under investigation.

d. With respect to any information, testimony, documents, records or other tangible evidence provided to the Department pursuant to this Agreement, the Defendant consents to any and all disclosures, subject to applicable law and regulations, to other governmental authorities, including United States authorities and those of a foreign government, as well as the MDBs, of such materials as the Department, in its sole discretion, shall deem appropriate.

9. In addition to the obligations in Paragraph 8, during the Term of the Agreement, should the Defendant learn of credible evidence or allegations of a violation of U.S. federal law, the Defendant shall promptly report such evidence or allegations to the Department.

10. The Defendant agrees that any fine or restitution imposed by the Court will be due and payable within ten (10) business days of sentencing, and the Defendant will not attempt to avoid or delay payment, except that if the Defendant has an inability to pay the fine, as described in United States Sentencing Guidelines Section 8C3.3, within ten (10) business days prior to sentencing, the Defendant and the Department will agree to a reasonable payment plan to propose to the Court at the time of sentencing. The Defendant further agrees to pay the Clerk of the Court for the United States District Court for the District of Connecticut the mandatory special assessment of $400 per count within ten (10) business days from the date of sentencing.

**The United States' Agreement**

11. In exchange for the guilty plea of the Defendant and the complete fulfillment of all of its obligations under this Agreement, the Department agrees it will not file additional criminal charges against the Defendant or any of its direct or indirect affiliates, subsidiaries, or joint ventures relating to (a) any of the conduct described in Exhibit 2, or (b) information made known to the Department prior to the date of this Agreement, except for the charges specified in the plea agreement between the Department and Alstom Network Schweiz AG (formerly known as Alstom Prom AG), the deferred prosecution agreement between the Department and Alstom Power, Inc., and the deferred prosecution agreement between the Department and Alstom Grid, Inc. (formerly known as Alstom T&D, Inc.). This Paragraph does not provide any protection against prosecution for any crimes, including corrupt payments or related false books and records and failure to implement adequate internal accounting controls, made in the future by the Defendant or by any of its officers, directors, employees, agents or consultants, whether or not disclosed by the Defendant pursuant to the terms of this Agreement. This Agreement does not close or preclude the investigation or prosecution of any natural persons, including any officers, directors, employees, agents, or consultants of the Defendant or its direct or indirect affiliates, subsidiaries, or joint ventures, who may have been involved in any of the matters set forth in the Information, Exhibit 2, or in any other matters. The Defendant agrees that nothing in this Agreement is intended to release the Defendant from any and all of the Defendant's excise and income tax liabilities and reporting obligations for any and all income not properly reported and/or legally or illegally obtained or derived.

**Factual Basis**

12. The Defendant is pleading guilty because it is guilty of the charges contained in the Information. The Defendant admits, agrees, and stipulates that the factual allegations set forth in the Information and Exhibit 2 are true and correct, that it is responsible for the acts of its officers, directors, employees, and agents described in the Information and Exhibit 2, and that the Information and Exhibit 2 accurately reflect the Defendant's criminal conduct.

**The Defendant's Waiver of Rights, Including the Right to Appeal**

13. Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410 limit the admissibility of statements made in the course of plea proceedings or plea discussions in both civil and criminal proceedings, if the guilty plea is later withdrawn. The Defendant expressly warrants that it has discussed these rules with its counsel and understands them. Solely to the extent set forth below, the Defendant voluntarily waives and gives up the rights enumerated in Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410. Specifically, the Defendant understands and agrees that any statements that it makes in the course of its guilty plea or in connection with the Agreement are admissible against it for any purpose in any U.S. federal criminal proceeding if, even though the Department has fulfilled all of its obligations under this Agreement and the Court has imposed the agreed-upon sentence, the Defendant nevertheless withdraws its guilty plea.

14. The Defendant is satisfied that the Defendant's attorneys have rendered effective assistance. The Defendant understands that by entering into this agreement, the Defendant surrenders certain rights as provided in this agreement. The Defendant understands that the rights of criminal defendants include the following:

(a) the right to plead not guilty and to persist in that plea;

(b) the right to a jury trial;

(c) the right to be represented by counsel – and if necessary have the court appoint counsel – at trial and at every other stage of the proceedings;

(d) the right at trial to confront and cross-examine adverse witnesses, to be protected from compelled self-incrimination, to testify and present evidence, and to compel the attendance of witnesses; and

(e) pursuant to Title 18, United States Code, Section 3742, the right to appeal the sentence imposed.

Nonetheless, the Defendant knowingly waives the right to appeal or collaterally attack the conviction and any sentence within the statutory maximum described below (or the manner in which that sentence was determined) on the grounds set forth in Title 18, United States Code, Section 3742, or on any ground whatsoever except those specifically excluded in this Paragraph, in exchange for the concessions made by the United States in this plea agreement. This agreement does not affect the rights or obligations of the United States as set forth in Title 18, United States Code, Section 3742(b). The Defendant also knowingly waives the right to bring any collateral challenge challenging either the conviction, or the sentence imposed in this case. The Defendant hereby waives all rights, whether asserted directly or by a representative, to request or receive from any department or agency of the United States any records pertaining to the investigation or prosecution of this case, including without limitation any records that may be sought under the Freedom of Information Act, Title 5, United States Code, Section 552, or the Privacy Act, Title 5, United States Code, Section 552a. The Defendant waives all defenses based on the statute of limitations and venue with respect to any prosecution related to the conduct described in Exhibit 2 or the Information, including any prosecution that is not time-

barred on the date that this Agreement is signed in the event that: (a) the conviction is later vacated for any reason; (b) the Defendant violates this Agreement; or (c) the plea is later withdrawn, provided such prosecution is brought within one year of any such vacation of conviction, violation of agreement, or withdrawal of plea plus the remaining time period of the statute of limitations as of the date that this Agreement is signed. The Department is free to take any position on appeal or any other post-judgment matter. The parties agree that any challenge to the Defendant's sentence that is not foreclosed by this Paragraph will be limited to that portion of the sentencing calculation that is inconsistent with (or not addressed by) this waiver. Nothing in the foregoing waiver of appellate and collateral review rights shall preclude the Defendant from raising a claim of ineffective assistance of counsel in an appropriate forum.

**Penalty**

15. The statutory maximum sentence that the Court can impose for a violation of Title 15, United States Code, Section 78m(b)(2)(A) or 78m(b)(2)(B), is a fine of $25,000,000 or twice the gross pecuniary gain or gross pecuniary loss resulting from the offense, whichever is greatest, Title 15, United States Code, Section 78ff(a) and Title 18, United States Code, Section 3571(c), (d); five years' probation, Title 18, United States Code, Section 3561(c)(1); and a mandatory special assessment of $400 per count, Title 18, United States Code, Section 3013(a)(2)(B). In this case, the parties agree that the gross pecuniary gain resulting from the offense is $296,000,000. Therefore, pursuant to 18 U.S.C. § 3571(d), the maximum fine that may be imposed is $592,000,000 per offense, or in this case a total of $1,184,000,000.

**Sentencing Recommendation**

16. The parties agree that pursuant to *United States v. Booker*, 543 U.S. 220 (2005), the Court must determine an advisory sentencing guideline range pursuant to the United States

Sentencing Guidelines. The Court will then determine a reasonable sentence within the statutory range after considering the advisory sentencing guideline range and the factors listed in Title 18, United States Code, Section 3553(a). The parties' agreement herein to any guideline sentencing factors constitutes proof of those factors sufficient to satisfy the applicable burden of proof. The Defendant also understands that if the Court accepts this Agreement, the Court is bound by the sentencing provisions in Paragraph 18.

17. The Department and the Defendant agree that a faithful application of the United States Sentencing Guidelines (U.S.S.G.) to determine the applicable fine range yields the following analysis:

a. The 2014 U.S.S.G. are applicable to this matter.

b. Offense Level. Based upon U.S.S.G. § 2B1.1, the total offense level is 37, calculated as follows:

| | | |
|---|---|---|
| (a)(1) | Base Offense Level | 7 |
| (b)(1) | Amount of Loss/Gain | +28 |
| (b)(10) | Substantial Part of Scheme Committed from Outside the United States | +2 |
| **TOTAL** | | 37 |

c. Base Fine. Based upon U.S.S.G. § 8C2.4(a)(2), the base fine is $296,000,000 (the pecuniary gain to the Defendant from the offense)

d. Culpability Score. Based upon U.S.S.G. § 8C2.5, the culpability score is 9, calculated as follows:

| | | |
|---|---|---|
| (a) | Base Culpability Score | 5 |
| (b)(1) | the unit of the organization within which the offense was committed had 5,000 or more employees and an individual within high-level personnel of the unit participated in, condoned, or was willfully ignorant | |

| | | |
|---|---|---|
| | of the offense | +5 |
| (g)(3) | The organization clearly demonstrated recognition and affirmative acceptance of responsibility for its criminal conduct | - 1 |
| **TOTAL** | | 9 |

Calculation of Fine Range:

| | |
|---|---|
| Base Fine | $296,000,000 |
| Multipliers | 1.80(min)/3.60 (max) |
| Fine Range | $532,800,000 (min)/ $1,065,600,000 (max) |

18. Pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, the Department and the Defendant agree that the following represents the appropriate disposition of the case:

a. Disposition. Pursuant to Fed. R. Crim. P. 11(c)(1)(C), the United States and the Defendant agree that the appropriate disposition of this case is as set forth above, and agree to recommend jointly that the Court at a hearing to be scheduled at an agreed upon time impose a sentence requiring the Defendant to pay a criminal fine of $772,290,000, payable in full on or before the tenth (10th) day after the entry of judgment following such sentencing hearing, except that if the Defendant has an inability to pay the fine, as described in U.S.S.G. § 8C3.3, within ten (10) business days prior to the sentencing hearing, the Defendant and the Department will agree to a reasonable payment plan ("the recommended sentence") to propose to the Court at sentencing. The Defendant shall not accept directly or indirectly reimbursement or indemnification from

any source including any of its affiliates that enters into an agreement with the Department relating to the conduct described in the Information and Exhibit 2 with regard to the penalty amounts that Defendant pays pursuant to the final judgment other than a bank, financial institution or creditor. The Defendant further acknowledges that no tax deduction may be sought in connection with the payment of any part of this $772,290,000 fine. The Department believes that a disposition that includes a fine of $772,290,000 is appropriate based on the following factors and those in 18 U.S.C. § 3553(a):

(1) Failure to Self-Report: The Defendant failed to voluntarily disclose the conduct even though it was aware of related misconduct at Alstom Power, Inc., a U.S. subsidiary, which entered into a resolution for corrupt conduct in connection with a power project in Italy several years prior to the Department reaching out to Alstom regarding its investigation;

(2) Cooperation: The Defendant initially failed to cooperate with the Department's investigation, responding only to the Department's subpoenas to the Defendant's subsidiaries. Approximately one year into the investigation, the Defendant provided limited cooperation, but still did not fully cooperate with the Department's investigation. The Defendant's initial failure to cooperate impeded the Department's investigation of individuals involved in the bribery scheme. At a later stage in the investigation, the Defendant began providing thorough cooperation, including assisting in the Department's investigation and prosecution of individuals and other companies that had partnered with the Defendant on certain projects. The Defendant's thorough

cooperation did not occur until after the Department had publicly charged multiple Alstom executives and employees;

(3) Nature and Seriousness of the Offense: The Defendant's conduct spanned many years and a number of countries and business lines, and involved sophisticated schemes to bribe high-level government officials, as well as to falsify its books and records related to bribe payments and a failure to maintain adequate controls to prevent improper bribe payments;

(4) Compliance and Remediation: The Defendant lacked an effective compliance and ethics program at the time of the offense. Since that time, the Defendant has undertaken substantial efforts to enhance its compliance program and to remediate prior inadequacies, including complying with undertakings contained in resolutions with the World Bank (including an ongoing monitorship) and the government of Switzerland, substantially increasing its compliance staff, improving its alert procedures, increasing training and auditing/testing, and ceasing the use of external success fee-based consultants; and

(5) Prior Criminal Misconduct: The Defendant through its subsidiaries has entered into resolutions with various other governments and the World Bank relating to similar misconduct.

b. Mandatory Special Assessment. The Defendant shall pay to the Clerk of the Court for the United States District Court for the District of Connecticut within ten (10) days of the time of sentencing the mandatory special assessment of $400 per count.

19. This Agreement is presented to the Court pursuant to Fed. R. Crim. P. 11(c)(1)(C). The Defendant understands that, if the Court rejects this Agreement, the Court

must: (a) inform the parties that the Court rejects the Agreement; (b) advise the Defendant's counsel that the Court is not required to follow the Agreement and afford the Defendant the opportunity to withdraw its plea; and (c) advise the Defendant that if the plea is not withdrawn, the Court may dispose of the case less favorably toward the Defendant than the Agreement contemplated. The Defendant further understands that if the Court refuses to accept any provision of this Agreement, neither party shall be bound by the provisions of the Agreement.

20. In the event the Court directs the preparation of a Pre-Sentence Investigation Report, the Department will fully inform the preparer of the Pre-Sentence Investigation Report and the Court of the facts and law related to the Defendant's case. At the time of the plea hearing, the parties will suggest mutually agreeable and convenient dates for the sentencing hearing with adequate time for (a) any objections to the Pre-Sentence Report, and (b) consideration by the Court of the Pre-Sentence Report and the parties' sentencing submissions.

**Breach of Agreement**

21. If the Department determines, in its sole discretion, that the Defendant has breached the Agreement by committing any federal felony subsequent to the date of this Agreement, or has provided or provides deliberately false, incomplete, or misleading information in connection with this Agreement, or otherwise failing to meet its obligations under this Agreement, (a) the Department will be free from its obligations under the Agreement and may take whatever position it believes appropriate as to the sentence; (b) the Defendant will not have the right to withdraw the guilty plea; (c) the Defendant shall be fully subject to criminal prosecution for any other crimes that it has committed or might commit, if any, including perjury and obstruction of justice; and (d) the Department will be free to use against the Defendant, directly and indirectly, in any criminal or civil proceeding any of the information or materials

provided by the Defendant or others prior or pursuant to this Agreement, including but not limited to Exhibit 2.

22. In the event that the Department believes that the Defendant has breached this Agreement, the Department agrees to provide the Defendant with written notice of such breach. The Defendant shall, within thirty (30) days of receipt of such notice, have the opportunity to respond to the Department in writing to explain the nature and circumstances of such breach, as well as the actions the Defendant has taken to address and remediate the situation. In the event of a breach of this Agreement by the Defendant, if the Department elects to pursue criminal charges, or any civil or administrative action that was not filed as a result of this Agreement, then:

a. The Defendant agrees that any applicable statute of limitations is tolled between the date of the Defendant's signing of this Agreement and the discovery by the Department of any breach by the Defendant plus one year; and

b. The Defendant gives up all defenses based on the statute of limitations (as described in Paragraphs 13 and 14), any claim of pre-indictment delay, or any speedy trial claim with respect to any such prosecution or action, except to the extent that such defenses existed as of the date of the signing of this Agreement.

**Public Statements by the Defendant**

23. The Defendant expressly agrees that it shall not, through present or future attorneys, officers, directors, employees, agents or any other person authorized to speak for the Defendant make any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by the Defendant set forth above or the facts described in the Information and Exhibit 2. Any such contradictory statement shall, subject to cure rights of the Defendant

described below, constitute a breach of this Agreement, and the Defendant thereafter shall be subject to prosecution as set forth in Paragraphs 21-22 of this Agreement. The decision whether any public statement by any such person contradicting a fact contained in the Information or Exhibit 2 will be imputed to the Defendant for the purpose of determining whether it has breached this Agreement shall be at the sole discretion of the Department. If the Department determines that a public statement by any such person contradicts in whole or in part a statement contained in the Information or Exhibit 2, the Department shall so notify the Defendant, and the Defendant may avoid a breach of this Agreement by publicly repudiating such statement(s) within five (5) business days after notification. The Defendant shall be permitted to raise defenses and to assert affirmative claims in other proceedings relating to the matters set forth in the Information and Exhibit 2 provided that such defenses and claims do not contradict, in whole or in part, a statement contained in the Information or Exhibit 2. This Paragraph does not apply to any statement made by any present or former officer, director, employee, or agent of the Defendant in the course of any criminal, regulatory, or civil case initiated against such individual, unless such individual is speaking on behalf of the Defendant.

24. The Defendant agrees that if it or any of its direct or indirect subsidiaries or affiliates issues a press release or holds any press conference in connection with this Agreement, the Defendant shall first consult the Department to determine (a) whether the text of the release or proposed statements at the press conference are true and accurate with respect to matters between the Department and the Defendant; and (b) whether the Department has any objection to the release or statement.

**Complete Agreement**

25. This document states the full extent of the Agreement between the parties. There are no other promises or agreements, express or implied. Any modification of this Agreement shall be valid only if set forth in writing in a supplemental or revised plea agreement signed by all parties.

**AGREED:**

**FOR ALSTOM S.A.:**

Date: 12/22/14 By: _____
Keith Carr
General Counsel of Alstom S.A.
Richard D. Austin
Senior Vice President of Alstom S.A.

Date: 12/22/14 By: _____
Robert D. Luskin
John S. (Jay) Darden
Squire Patton Boggs (US) LLP
Outside counsel for Alstom S.A.

**FOR THE DEPARTMENT OF JUSTICE:**

MICHAEL J. GUSTAFSON
FIRST ASSISTANT U.S. ATTORNEY
DISTRICT OF CONNECTICUT

_____
DAVID E. NOVICK
ASSISTANT U.S. ATTORNEY

KATHLEEN MCGOVERN
SENIOR DEPUTY CHIEF
CRIMINAL DIVISION, FRAUD SECTION
U.S. DEPARTMENT OF JUSTICE

_____
DANIEL S. KAHN
ASSISTANT CHIEF

**EXHIBIT 1**

**CERTIFICATE OF CORPORATE RESOLUTIONS**

A copy of the executed Certificate of Corporate Resolutions is annexed hereto as "Exhibit 1."

**CERTIFICATE OF COUNSEL**

We are outside counsel for Alstom S.A. (the "Defendant") in the matter covered by this Agreement. In connection with such representation, we have examined the relevant documents and have discussed the terms of this Agreement with the Defendant's senior management and Board of Directors. Based on our review of the foregoing materials and discussions, we are of the opinion that the representative of the Defendant has been duly authorized to enter into this Agreement on behalf of the Defendant and that this Agreement has been duly and validly authorized, executed, and delivered on behalf of the Defendant and is a valid and binding obligation of the Defendant. Further, we have carefully reviewed the terms of this Agreement with the Board of Directors and the General Counsel of the Defendant. We have fully advised them of the rights of the Defendant, of possible defenses, of the Sentencing Guidelines' provisions and of the consequences of entering into this Agreement. To our knowledge, the decision of the Defendant to enter into this Agreement, based on the authorization of the Board of Directors, is an informed and voluntary one. Further, we have carefully reviewed Exhibit 2 with our client. To our knowledge, the decision of the Defendant to stipulate to these facts, based on the authorization of the Board of Directors, is an informed and voluntary one.

Date: December 19, 2014

By: _____

Robert D. Luskin
John S. (Jay) Darden
Squire Patton Boggs (US) LLP
Outside counsel for Alstom S.A.

## GENERAL COUNSEL'S CERTIFICATE

I/we have read this Agreement and carefully reviewed every part of it with outside counsel for Alstom S.A. ("Alstom"). I understand the terms of this Agreement and voluntarily agree, on behalf of Alstom, to each of its terms. Before signing this Agreement, I/we consulted outside counsel for Alstom. Counsel fully advised me of the rights of Alstom, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement.

Keith Carr, General Counsel of Alstom, has carefully reviewed the terms of this Agreement with the Board of Directors of Alstom. I/we have advised and caused outside counsel for Alstom to advise the Board of Directors fully of the rights of Alstom, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into the Agreement.

No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me/us, or to my knowledge any person authorizing this Agreement on behalf of Alstom, in any way to enter into this Agreement. I/we am also satisfied with outside counsel's representation in this matter.

I/we certify that we are the General Counsel for Alstom and the Senior Vice President for Alstom, and that I/we have been duly authorized by Alstom to execute this Agreement on behalf of Alstom. The Board of Directors has also authorized me/us to appear in court and enter a plea on behalf of Alstom.

Date: 19 December, 2014

ALSTOM S.A.

By: _____

Keith Carr
General Counsel
Richard D. Austin
Senior Vice President

ALSTOM

**CERTIFICATE OF CORPORATE RESOLUTIONS**

WHEREAS, Alstom S.A. (the "Company") has been engaged in discussions with the United States Department of Justice, Criminal Division, Fraud Section and the U.S. Attorney's Office for the District of Connecticut (the "Offices") regarding issues arising in relation to certain improper payments to foreign officials to facilitate the award of contracts and assist in obtaining business for the Company; and

WHEREAS, in order to resolve such discussions, it is proposed that the Company enter into a certain agreement with the Offices; and

WHEREAS, Keith Carr, General Counsel of the Company, and outside counsel have advised senior management and the Board of Directors of the Company of its rights, possible defenses, the Sentencing Guidelines' provisions, and the consequences of entering into such agreement with the Offices;

Therefore, the Board of Directors has RESOLVED that:

1. The Company (a) acknowledges the filing of the two-count Information charging the Company with offenses against the United States in violation of Title 15, United States Code, Sections 78m and 78ff, that is, to violate the books and records and internal controls provisions of the Foreign Corrupt Practices Act of 1977 ("FCPA"), as amended; and (b) waives indictment on such charges and enters into a plea agreement with the Offices;

2. The Company accepts the terms and conditions of this Agreement, including, but not limited to, (a) a knowing waiver of its rights to a speedy trial pursuant to the Sixth Amendment to the United States Constitution, Title 18, United

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389 058 447 RCS Nanterre

ALSTOM

States Code, Section 3161, and Federal Rule of Criminal Procedure 48(b); and (b) a knowing waiver for purposes of this Agreement and any charges by the United States arising out of the conduct described in the attached Statement of Facts of any objection with respect to venue and consents to the filing of the Information, as provided under the terms of this Agreement, in the United States District Court for the District of Connecticut; and (c) a knowing waiver of any defenses based on the statute of limitations for any prosecution relating to the conduct described in the attached Statement of Facts or relating to conduct known to the Offices prior to the date on which this Agreement was signed that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement;

3. Keith Carr, General Counsel of the Company, and Richard D. Austin, Senior Vice President of the Company, who may act separately, are hereby authorized, empowered and directed, on behalf of the Company, to execute the plea agreement substantially in such form as reviewed by this Board of Directors at this meeting with such changes as Keith Carr, General Counsel of the Company, and Richard D. Austin, Senior Vice President of the Company, may approve;

4. Keith Carr, General Counsel of the Company, and Richard D. Austin, Senior Vice President of the Company, who may act separately, are hereby authorized, empowered and directed to take any and all actions as may be necessary or appropriate and to approve the forms, terms or provisions of any agreement or other documents as may be necessary or appropriate, to carry out and effectuate the purpose and intent of the foregoing resolutions; and

5. All of the actions of Keith Carr, General Counsel of the Company, and Richard D. Austin, Senior Vice President of the Company, which actions would have been authorized by the foregoing resolutions except that such actions were taken prior

**EXHIBIT 2**

**STATEMENT OF FACTS**

The following Statement of Facts is incorporated by reference as part of the Plea Agreement between the United States Department of Justice, Criminal Division, Fraud Section and the United States Attorney's Office for the District of Connecticut (collectively, the "Department") and Alstom S.A. ("Alstom" or the "company"), and the parties hereby agree and stipulate that the following information is true and accurate. Alstom admits, accepts, and acknowledges that it is responsible for the acts of its officers, directors, employees, and agents as set forth below. Had this matter proceeded to trial, Alstom acknowledges that the Department would have proven beyond a reasonable doubt, by admissible evidence, the facts alleged below and set forth in the criminal Information:

1. The Foreign Corrupt Practices Act of 1977, as amended, Title 15, United States Code, Sections 78m and 78dd-1, *et seq.* ("FCPA"), was enacted by Congress for the purpose of, among other things, making it unlawful for certain classes of persons and entities to act corruptly in furtherance of an offer, promise, authorization, or payment of money or anything of value to a foreign official for the purpose of assisting in obtaining or retaining business for, or directing business to, any person. In addition, the FCPA requires every issuer of a security registered with the Securities and Exchange Commission to make and keep books, records, and accounts that accurately and fairly reflect transactions and the distribution of the company's assets. The FCPA also requires issuers to maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to (A) permit preparation of financial statements in conformity with generally accepted accounting principles

or any other criteria applicable to such statements, and (B) maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals, and appropriate action is taken with respect to any differences.

Alstom and Other Relevant Entities and Individuals

2. Alstom was headquartered in France. Alstom was in the business of designing, constructing, and providing services related to power generation facilities, power grids, and rail transportation systems around the world. During the relevant period, Alstom had sales of approximately €21 billion annually and employed approximately 110,000 employees in over seventy countries. Shares of Alstom's stock were listed on the New York Stock Exchange until August 2004. Accordingly, until August 2004, Alstom was an "issuer" as that term is used in the FCPA, Title 15, United States Code, Section 78dd-1(a). Alstom had direct and indirect subsidiaries in various countries around the world through which it bid on projects to secure contracts to perform power-related, grid-related, and transportation-related services, including for state-owned entities. Alstom's subsidiaries worked exclusively on behalf of Alstom and for its benefit. Alstom maintained a department called International Network that supported its subsidiaries' efforts to secure contracts around the world. International Network was organized by regions around the world. In certain instances, executives of International Network served as presidents of certain Alstom subsidiaries or businesses. Within Alstom's power sector, the company also maintained a department called Global Power Sales ("GPS"), which performed functions similar to International Network, in that GPS assisted other Alstom entities or businesses in their efforts to secure contracts.

3. Alstom Power, Inc. ("Alstom Power US") was a subsidiary of Alstom that was headquartered in Windsor, Connecticut, incorporated in Delaware, and thus a "domestic concern," as that term is used in the FCPA, Title 15, United States Code, Section 78dd-2(h)(1)(B). Alstom Power US was in the business of providing power generation-related services around the world, including in Indonesia, Egypt, and Saudi Arabia. At certain times, Alstom's boiler division was run out of Windsor, Connecticut. At certain times, the head of Alstom's boiler division and the head of boiler sales for Alstom were both assigned to Alstom Power US.

4. Alstom Network Schweiz AG, formerly known as Alstom Prom AG ("Alstom PROM"), was a subsidiary of Alstom that was headquartered in Switzerland. Alstom PROM was responsible for overseeing compliance as it related to Alstom's consultancy agreements for many of Alstom's power sector subsidiaries.

5. Alstom Grid Inc., formerly known as Alstom T&D, Inc. ("Alstom T&D US"), was a subsidiary of Alstom that was headquartered in New Jersey, and thus a "domestic concern," as that term is used in the FCPA, Title 15, United States Code, Section 78dd-2(h)(1)(B). Alstom T&D US was in the business of providing power grid-related services around the world, including in Egypt.

6. PT Energy Systems Indonesia ("Alstom Indonesia") was a subsidiary of Alstom that was headquartered in Indonesia. Alstom Indonesia was in the business of providing power generation-related services in Indonesia.

7. Lawrence Hoskins ("Hoskins"), who has been charged separately, was an Alstom Area Senior Vice President for the Asia region in Alstom's International Network. Hoskins'

responsibilities at Alstom included overseeing Alstom's subsidiaries' efforts to obtain contracts with new customers and to retain contracts with existing customers in Asia.

8. Frederic Pierucci ("Pierucci"), who has been charged separately, held various high-level positions and ultimately held an executive-level position as Vice President of Alstom's boiler product line. At certain times, Pierucci was assigned to Alstom Power US and was responsible for overseeing Alstom Power US's efforts to obtain boiler contracts with new customers and to retain boiler contracts with existing customers around the world.

9. William Pomponi ("Pomponi"), who has been charged separately, was a Vice President of Regional Sales at Alstom Power US. Pomponi's responsibilities at Alstom Power US included obtaining boiler contracts with new customers and retaining boiler contracts with existing customers in various countries, including in Indonesia.

10. David Rothschild ("Rothschild"), who has been charged separately, was a Vice President of Regional Sales at Alstom Power US. Rothschild's responsibilities at Alstom Power US included obtaining boiler contracts with new customers and retaining boiler contracts with existing customers in various countries, including in Indonesia.

11. "Alstom Executive A," an individual whose identity is known to the United States, was an executive within Alstom's Compliance Department. At certain times, Alstom Executive A was responsible for overseeing due diligence efforts on prospective sales consultants for Alstom's various power businesses.

12. "Alstom Executive B," an individual whose identity is known to the United States, worked in Alstom's GPS unit. Alstom Executive B held various executive-level positions within Alstom, including as a high-level executive at Alstom Indonesia and another Alstom entity. Alstom Executive B was one of the people responsible for retaining consultants in

connection with Alstom and its subsidiaries' efforts to obtain and retain power contracts in Southeast Asia.

13. "Alstom Indonesia Executive," an individual whose identity is known to the United States, was a high-level executive at Alstom Indonesia. Alstom Indonesia Executive's responsibilities at Alstom Indonesia included assisting other Alstom entities' efforts to obtain contracts with new customers and to retain contracts with existing customers in Indonesia, including assisting Alstom Power US to obtain power projects in Indonesia.

14. "Alstom T&D US Executive," an individual whose identity is known to the United States, was an executive at Alstom T&D US. Alstom T&D US Executive's responsibilities at Alstom T&D US included overseeing efforts to obtain power grid contracts with new customers and to retain grid contracts with existing customers in various countries around the world, including in Egypt.

15. "Alstom T&D US Project Manager," an individual whose identity is known to the United States, was the project manager at Alstom T&D US for various projects, including projects in Egypt. Alstom T&D US Project Manager's responsibilities at Alstom T&D US included managing the various grid projects, approving payments to consultants who were purportedly performing services in connection with those projects, and providing certifications to the United States Agency for International Development ("USAID") which funded the projects.

16. "Consultant A," an individual whose identity is known to the United States, was a consultant who purportedly provided legitimate services on behalf of Alstom, Alstom Power US, and Alstom Indonesia in connection with the bidding of a power project in Indonesia. In reality,

Consultant A was retained for the purpose of paying bribes to Indonesian government officials to obtain or retain business in connection with the power project.

17. "Consultant B," an individual whose identity is known to the United States, was a consultant who purportedly provided legitimate services on behalf of Alstom, Alstom Power US, and Alstom Indonesia in connection with the bidding of various power projects in Indonesia. In reality, Consultant B was retained for the purpose of paying bribes to Indonesian government officials to obtain or retain business in connection with the power projects.

18. "Consultant C," an individual whose identity is known to the United States, was a consultant who purportedly provided legitimate services on behalf of Alstom, Alstom Power US, and other Alstom entities in connection with the bidding of various power projects in Saudi Arabia. In reality, Consultant C, who was referred to by the code name "Geneva," was the brother of a member of the board of Saudi Arabia's state-owned electricity company and was retained as a means of bribing at least one Saudi government official to obtain or retain business in connection with the power projects.

19. "Consultant D," an individual whose identity is known to the United States, was a consultant who purportedly provided legitimate services on behalf of Alstom, Alstom Power US, and other Alstom entities in connection with the bidding of various power projects in Saudi Arabia. In reality, Consultant D, who was referred to by the code name "Paris," was a close relative of a member of the board of Saudi Arabia's state-owned electricity company and was retained as a means of bribing at least one Saudi government official to obtain or retain business in connection with the power projects.

20. "Consultant E," an individual whose identity is known to the United States, was a consultant who purportedly provided legitimate services on behalf of Alstom, Alstom Power US,

and other Alstom entities in connection with the bidding of various power projects in Saudi Arabia. Consultant E was referred to by the code name "London" and was paid at least $30 million by Alstom in connection with multiple consultancy agreements for the Saudi power projects despite the absence of documentation or proof of legitimate services being performed.

21. "Consultant F," an individual whose identity is known to the United States, was a consultant who purportedly provided legitimate services on behalf of Alstom, Alstom Power US, and other Alstom entities in connection with the bidding of various power projects in Saudi Arabia. Consultant F was referred to by the code name "OF" or "Old Friend" and was paid at least $10 million by Alstom in connection with multiple consultancy agreements for the Saudi power projects despite the absence of documentation or proof of legitimate services being performed.

22. "Consultant G," an individual whose identity is known to the United States, was a consultant who purportedly provided legitimate services on behalf of Alstom, Alstom Power US, and other Alstom entities in connection with the bidding of various power projects in Egypt. In reality, Consultant G was retained for the purpose of paying bribes to Egyptian government officials to obtain or retain business in connection with the power projects.

23. "Consultant H," an individual whose identity is known to the United States, was a consultant who purportedly provided legitimate services on behalf of Alstom, Alstom T&D US, and other Alstom entities in connection with various transmission and distribution projects in Egypt. In reality, Consultant H was retained for the purpose of paying bribes to Egyptian government officials to obtain or retain business in connection with the transmission and distribution projects.

24. "Consultant I," an individual whose identity is known to the United States, was a consultant who purportedly provided legitimate services on behalf of Alstom and other Alstom entities in connection with the bidding of a power project in the Bahamas. In reality, Consultant I was retained for the purpose of paying bribes to a Bahamian government official to obtain or retain business in connection with the power project. Consultant I was a U.S. citizen, was based in the United States, and maintained a bank account in the United States.

Overview of the Unlawful Scheme

*False Books and Records*

25. During the relevant time period, Alstom, acting through executives, employees, and others, disguised on its books and records millions of dollars in payments and other things of value given to foreign officials in exchange for those officials' assistance in securing projects, keeping projects, and otherwise gaining other improper advantages in various countries around the world for Alstom and its subsidiaries.

26. In a number of instances, Alstom hired consultants to conceal and disguise improper payments to foreign officials. Alstom paid the consultants purportedly for performing legitimate services in connection with bidding on and executing various projects. In reality, the Alstom personnel knew that the consultants were not performing legitimate services and that all or a portion of the payments were to be used to bribe foreign officials. Alstom executives and employees falsely recorded these payments in its books and records as "commissions" or "consultancy fees."

27. Alstom also created, and caused to be created, false records to further conceal these improper payments. Alstom created consultancy agreements that provided for legitimate services to be rendered by the consultant, and included a provision prohibiting unlawful

payments, even though the Alstom executives and employees involved knew that at times the consultants were using all or a portion of their consultancy fees to bribe foreign officials. Moreover, certain Alstom employees instructed the consultants to submit false invoices and other back-up documentation reflecting purported legitimate services rendered that those employees knew were not actually performed, so that Alstom could justify the payments to the consultants.

28. In other instances, Alstom paid bribes directly to foreign officials by providing gifts and petty cash, by hiring their family members, and in one instance by paying over two million dollars to a charity associated with a foreign official, all in exchange for those officials' assistance in obtaining or retaining business in connection with projects for Alstom and its subsidiaries. As with the consultant payments, Alstom knowingly and falsely recorded these payments in its books and records as consultant expenses, as "donations," or other purportedly legitimate expenses.

29. Alstom employees, some of whom were located in the District of Connecticut, knowingly falsified Alstom's books and records in order to conceal the bribe payments that they knew were illegal and were contrary to Alstom's written policy. Alstom also submitted false certifications to the USAID, and other regulatory entities, falsely asserting that Alstom was not using consultants on particular projects when, in fact, consultants were being used, and asserting that no unlawful payments were being made in connection with projects when, in fact, they were. Various other acts, including e-mail communications, passed through the District of Connecticut.

*Internal Accounting Controls*

30. During the relevant time period, although Alstom had policies in place prohibiting unlawful payments to foreign officials, including through consultants, Alstom knowingly failed to implement and maintain adequate controls to ensure compliance with those policies.

31. As further detailed herein, Alstom knowingly failed to implement and maintain adequate controls to ensure meaningful due diligence for the retention of third-party consultants. A number of consultants that Alstom hired raised a number of "red flags" under Alstom's own internal policies. Certain consultants proposed for retention had no expertise or experience in the industry sector in which Alstom was attempting to secure or execute the project. Other consultants were located in a country different than the project country. At other times, the consultants asked to be paid in a currency or in a bank account located in a country different than where the consultant and the project were located. In multiple instances, more than one consultant was retained on the same project, ostensibly to perform the very same services. Despite these "red flags," the consultants were nevertheless retained without meaningful scrutiny. To the contrary, those submitting consultants for possible retention at times did not make explicit the true reason for the consultants' retention, as well as other relevant facts. And certain executives who had the ability to ensure appropriate controls surrounding the due diligence process themselves knew, or knowingly failed to take action that would have allowed them to discover, that the purpose of hiring the consultant was to conceal payments to foreign officials in connection with securing projects and other favorable treatment in various countries around the world for Alstom and its subsidiaries.

32. Alstom also knowingly failed to implement and maintain adequate controls for the approval of consultancy agreements. During the relevant time period, Alstom's consultancy

agreements provided that payments to the consultants would only be made on a pro rata basis tied to project milestones or as Alstom was paid by the customer. In certain instances, Alstom employees changed the amount and terms of payment for the consultants, in violation of the company's own internal policies, so that Alstom could pay the consultants more money and make that payment sooner in order to generate cash available to bribe the foreign officials. The Alstom executives and employees responsible for approving consultancy agreements did not adequately scrutinize these changes, and in certain instances were copied on e-mails in which the true purpose for the change was discussed. During the relevant time period, Alstom also maintained an unwritten policy to discourage, where possible, consultancy arrangements that would subject Alstom to the jurisdiction of the United States. To effectuate this policy, Alstom typically used consultants who were not based in the United States, and intentionally paid consultants in bank accounts outside of the United States and in currencies other than U.S. dollars. The Alstom executives and employees responsible for approving consultancy agreements attempted to enforce this unwritten policy even when it meant that the consultant had to open an offshore bank account solely for the purpose of receiving payments from Alstom.

33. Alstom also knowingly failed to implement and maintain adequate controls for payments to consultants. In multiple instances, Alstom paid the consultants without adequate, or timely, documentation of the services they purported to perform. At times, consultants sought help from Alstom to create false documentation necessary for payment approval. In other instances, the consultants created false "proofs of service" long after the purported services were rendered. In certain cases described herein, a consultant sought assistance from an Alstom employee responsible for approving payment because, as the consultant explained to the Alstom employee, he did not want to include on his invoices the fact that his services included making

unlawful payments. During the relevant period, Alstom did not engage in auditing or testing of consultant invoices or payments. In many instances, requests for payments to consultants were approved without adequate review by Alstom knowing that the payments were being used, at least in part, to bribe foreign officials to obtain or retain business in connection with projects in various countries around the world for Alstom and its subsidiaries.

34. As described herein, Alstom paid approximately $75 million in consultancy fees knowing that this money would be used, in whole or in part, to bribe or provide something of value to government officials to secure approximately $4 billion in projects in multiple countries, with a gain to Alstom of approximately $296 million.

Indonesia

35. Beginning in or around 2002 and continuing to in or around 2009, Alstom, Alstom Power US, Alstom Indonesia, and other Alstom entities attempted to secure various power projects in Indonesia through Indonesia's state-owned and state-controlled electricity company, Perusahaan Listrik Negara ("PLN"). PLN was an "agency" and "instrumentality" of a foreign government, as those terms are used in the FCPA, Title 15, United States Code, Section 78dd-1(f)(1). One such project was the Tarahan Project, sometimes referred to simply as "Tarahan," a project to provide power-related services to the citizens of Indonesia at approximately $118 million. Another such project was the Muara Tawar Block 5 Project, a project to expand the existing Muara Tawar power plant and provide additional power-related services to the citizens of Indonesia at approximately $260 million. In addition, Alstom subsidiaries bid on but were not awarded contracts related to other expansions of the Muara Tawar power plant. Collectively, these projects were sometimes referred to as "Muara Tawar" or "MT."

36. In connection with these projects, Alstom disguised on its books and records millions of dollars and other things of value provided to Indonesian officials in exchange for those officials' assistance in securing the power projects for Alstom and its subsidiaries. Alstom also knowingly failed to implement and maintain adequate controls to ensure that no unlawful payments were being made through consultants to foreign officials in connection with these projects.

37. Specifically, Alstom and its subsidiaries retained consultants, including Consultant A and Consultant B, to assist them and their consortium partners in obtaining the contracts for the power projects in Indonesia. The primary purpose of these consultants was not to provide legitimate services to Alstom, its subsidiaries, and its consortium partners, but was instead to pay bribes to Indonesian officials who had the ability to influence the award of the contracts. This was known by several executives at Alstom, including at least Hoskins, Pierucci, and Alstom Executives A and B. Little to no due diligence was completed on these consultants, despite a number of "red flags." For example, two consultants were retained to perform the same ostensible services, and the terms of payment for Consultant B were front-loaded in violation of Alstom's own internal policies and the original terms of the consultant contract. Eventually, payments were made to these consultants without adequate supporting documentation, and no testing or auditing was conducted on any of the consultant invoices or payments.

38. Alstom and its subsidiaries first retained Consultant A in connection with the Tarahan Project in or around late 2002. Consultant A was to receive a commission based on the overall value that each consortium member would receive from the Tarahan Project contract, from which Consultant A was expected to pay bribes to Indonesian officials, including a high-ranking member of Parliament ("Official 1") and a high-level executive at PLN ("Official 2").

However, through the course of 2003, Alstom personnel came to the conclusion that Consultant A had not sufficiently assured key Indonesian officials at PLN, including members of the evaluation team ("Official 3" and "Official 4"), that he would adequately pay them after the award of the contract.

39. Accordingly, in or around September or October 2003, Hoskins, Pierucci, Alstom Executive B, and Alstom Indonesia Executive informed Consultant A that Consultant A would be responsible only for paying bribes to Official 1 and that Alstom and its subsidiaries would retain another consultant to pay bribes to PLN officials. Shortly thereafter, Alstom and its subsidiaries sent Consultant A an amended consulting agreement, reducing the amount of Consultant A's commission to reflect Consultant A's reduced responsibilities and to cover the additional cost of retaining a new consultant. Alstom then retained Consultant B for the purpose of bribing PLN officials. Around the same time, Alstom and its subsidiaries also retained Consultant B to bribe PLN officials in connection with their efforts to secure a Muara Tawar Project contract. As with Consultant A, Alstom did not conduct due diligence on Consultant B.

40. Alstom together with others took a number of acts to carry out the scheme. For example, on or about August 8, 2002, an Alstom Indonesia employee sent an e-mail to Rothschild, to which he attached a document explaining, among other things, that Official 1 was a "[k]ey legislator" and "Vice chairman of [the] Parliament commission 8 dedicated for Power & Energy" who had "[e]asy direct access personally to PLN Board" and who could exert "direct influence to PLN ([Official 2] and [another official])" and "utiliz[e] his comission [sic] 8 forum to influence PLN Board" and Ministries.

41. On or about September 4, 2002, Alstom Indonesia Executive sent an e-mail to Rothschild, copying Pierucci, stating, "[W]e have met [Official 1] to confirm whether he is

comfortable with your suggested approach on Representation issue (through [Consultant A])....Again, from my point of view whichever approach taken on the Representation issue, must assure the coverage of Palembang [the city in Indonesia where the evaluation committee was located]. You need to be confident that [Consultant A] could do this since he – being the one who can make the 'commitment' – will have to take over the lead role from us in Palembang."

42. On or about December 3, 2002, Alstom Indonesia Executive sent an e-mail to Hoskins discussing a Muara Tawar Project, including whether to retain Consultant A in connection with the project, stating, "[Official 1] is a member of INDONESIA Parliament, precisely he is the Vice Chairman of Commission VIII, a commission in charge of handling Power issues....Besides his function in the Parliament, he has long well established relationship with [Official 2] (PLN President Director). As a Vice Chairman of Commission VIII he certainly have [sic] influence in PLN. He is not an agent but one of the players....[L]ooking in to [Consultant A's] performance in Tarahan, we need to think twice prior taking him into consideration....As the [Tarahan] project proceed, it shown that [Consultant A] has been unable to fulfil [sic] his tasks and our expectation, he has no grip on PLN Tender team at all. Basically, his function is more or less similar to cashier which I feel we pay too much....As you know, I have set an appointment to meet [Official 2] tomorrow morning to find out who would be his recommended agent, the one that PLN can really feel comfortable with."

43. On or about December 3, 2002, Hoskins sent an e-mail to an executive at Alstom, stating, "Will call you after I get feedback from [Alstom Indonesia Executive] on his meeting tomorrow with [Official 2]. At this stage [Alstom Indonesia Executive] does not support

appointment of [Consultant A] for MT [Muara Tawar] but believes [Official 1] to be an important part of the jigsaw."

44. On or about January 3, 2003, Alstom Executive A sent an e-mail to Hoskins, copying another executive in Compliance at Alstom PROM, regarding the approval of the consultancy agreement with Consultant A, stating, "[Consultant A] sent me the completed 'Agent Profile' for his very small company in Baltimore, Maryland, with branch office in Washington....I understand, that the Tarahan job is boiler supply from the US to Indonesia. As I said before, it would make more sens[e] to have an agent in Indonesia, where [Consultant A's] company has obviously an office. As you know, we do not like to have a US domiciliated company as a consultant, with payment in the US, and most probably in USD."

45. On or about January 15, 2003, Hoskins responded to the e-mail referenced in Paragraph 44 above, stating, "I talked to [Alstom Indonesia Executive] and his financial controller [] on this subject to establish whether they could implement an agreement locally in Indonesia. They were uneasy about dealing with a local company but thought an arrangement with Singapore may work. [Alstom Indonesia Executive] is going to check with [Consultant A] to see if he has a company in Singapore."

46. On or about June 5, 2003, Alstom Executive B sent an e-mail to an Alstom Indonesia employee regarding the Muara Tawar Projects and discussing various agents that Alstom could retain in connection with the project, stating, "[Consultant B] basically works for [Official 2]."

47. On or about August 12, 2003, Consultant A sent an e-mail to Pierucci about another upcoming power project with PLN, stating, "PLN people are upset with us that we told them we only need marginal support from them and now putting everything on them. They are

comparing the success fee for Tarahan and [the upcoming project] and asking why they are so much different."

48. On or about September 18, 2003, Alstom Indonesia Executive forwarded an e-mail to Hoskins describing a meeting between two Alstom employees and two PLN officials, including Official 4, regarding the Tarahan Project which stated, "PLN has expressed their concerns over our 'agent'. They did not like the approach made by the agent. More importantly, they concern whether they can trust on the agent or not in regards to 'rewards' issue. They concern that if we have won the job, whether their rewards will still be satisfactory or this agent only give them pocket money and disappear. Nothing has been shown by the agent that the agent is willing to spend money." (emphasis in original).

49. In or around late September 2003, Hoskins, Pierucci, Alstom Executive B, Alstom Indonesia Executive, and other Alstom employees told Consultant A at a meeting in Indonesia that: (i) they were going to retain another consultant to pay bribes to officials at PLN in connection with the Tarahan Project; (ii) Consultant A needed to pay bribes only to Official 1; and (iii) Consultant A's commission, therefore, would be cut from three percent of the total value of the contract to one percent.

50. On or about March 3, 2004, Alstom Indonesia Executive sent an e-mail to Hoskins, which was eventually forwarded to an executive in Compliance at Alstom PROM, stating, "Last Monday we sent Tarahan CA [consultancy agreement] to [Consultant B], he immediately feel [sic] cornered after reading the ToP [terms of payment] which said 'prorata'. When I talked to him on the phone I said that I will look at it and I thought it should not be that bad. I then looked into Tarahan ToP (see attached) and realise that the project payment is spread over 3.5 year! You would understand why he is worry [sic], he is willing to pre-finance his

scope, fulfilling his commitment up-front (prior he get paid) to get the right 'influence', but certainly not waiting 2 to 3 years to get paid while most of his scope is completed in the beginning."

51. On or about March 30, 2004, Pomponi sent an e-mail to Hoskins, Pierucci, and Alstom Indonesia Executive, stating, "Approval...has finally been received this morning authorizing the requested Terms of Payment. Pls proceed with this ASAP to obtain the CA signing by [Consultant B] in order for [Consultant B's] effectiveness to continue."

52. On or about March 31, 2004, Alstom Indonesia Executive responded to the e-mail from Pomponi referenced in Paragraph 51 above, stating, "I will mentioned [sic] our position to [Official 2] and [Consultant B] this afternoon. Furthermore I would suggest you to contact [an Alstom employee in Compliance at Alstom PROM] with a request to make the necessary CA changes (ToP) and ask her to send me the revised CA asap. Once the revised agreement arrived I will obtain [Consultant B's] signature. Mean while [sic] I will give [Official 2]/[Consultant B] my word."

53. On or about April 5, 2004, Alstom Indonesia Executive sent an e-mail to Hoskins, copying Pierucci and Alstom Executive B, regarding the Tarahan Project and Muara Tawar Project, stating, "According to [Official 2] Alstom did not show enough its 'commitment' to PLN....[Official 2] also asked me whether for PLN Alstom could use one representative (agent), rather than 2 or 3. According to [Official 2] in [another project] [Consultant A] was involved. [Official 2] thought he made to Fred [Pierucci] and you clear [Consultant A] was not the right person."

54. On or about July 12, 2005, an employee at Alstom Indonesia sent an e-mail to Alstom Executive B, Alstom Indonesia Executive, and another Alstom employee regarding the

Muara Tawar Block 5 Project, stating, "We have built relationship [sic] with [Official 4] since the Tarahan [] project. In this [Muara Tawar Project], we were among those who promoted [Official 4] so that he can become a member of the [Muara Tawar Project] procurement team....Looking at this fact, [Official 4] is of critical importance to us as our vehicle....[Official 4] must be ensured that his effort will be worth his while....We need to set up additional CA [consultancy agreement], separate from the basic CA currently in place, to cover [Official 4] and his people, as our ammunition to approach working level which is currently untouched by our agent."

55. On or about September 22, 2006, Alstom Executive B sent an e-mail to another Alstom employee with the subject, "Tarahan – commitment fell thru the cracks," stating, "One of the engineering chaps [Official 4] who had a lot of influence on the outcome of the Tarahan has not been fully compensated on the Tarahan project. Now he is involved in [the Muara Tawar Block 5 Project] and keeps reminding the boys that we owe him something. This issue needs to be sorted out ASAP to ensure proper support on [the Muara Tawar Block 5 Project]. According to [an executive at Alstom Indonesia], [Consultant B] has honored his pro rata portion of the commitment. The original ('other') Agent did not. I don't know if the other guy has received any consulting fees. Would you be able to check that out with [Alstom] Prom? If not then we should block the payments until he takes care of the guy."

56. Alstom and its subsidiaries were ultimately awarded the Tarahan Project and Muara Tawar Block 5 Project contracts and made payments to the aforementioned consultants for the purpose of paying Indonesian government officials, including Official 1, Official 2, Official 3, and Official 4, in exchange for their assistance in securing the Tarahan Project and the Muara Tawar Block 5 Project for Alstom, its subsidiaries, and its consortium partners. These

payments were falsely recorded in Alstom's books and records as "consultancy fees" and "commissions" despite the fact that Alstom employees and executives knew these payments were bribes.

Saudi Arabia

57. In or around 2000, Alstom completed the acquisition of the worldwide power business of a separate international power company. Beginning in or around 1998, during the period prior to the acquisition, the separate power company began bidding on power projects in Saudi Arabia and was awarded one such contract. Beginning in or around 1999, during the period in which Alstom and the other power company operated as a joint venture, and continuing through 2000 after the acquisition of the separate power company was complete, Alstom itself continued bidding on other power projects in Saudi Arabia. The bids for the power projects in Saudi Arabia were with the Saudi Electric Company ("SEC"), Saudi Arabia's state-owned and state-controlled electricity company, and its predecessor entities. The SEC, along with its predecessor entities, were "agencies" and "instrumentalities" of a foreign government, as those terms are used in the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

58. Projects in Saudi Arabia included different projects at a site known as Shoaiba. The Shoaiba Projects were a series of different projects that resulted in the construction of 14 different steam power generating units for the SEC. The Shoaiba Projects had several distinct stages and multiple phases within each stage. In total, the first two stages of the Shoaiba Projects involved the construction of an oil-fired power plant with 11 separate power generating units at a total value of approximately $3 billion.

59. In connection with the first two of the Shoaiba Projects, Alstom disguised on its books and records tens of millions of dollars in payments and other things of value provided to

Saudi officials to obtain or retain business in connection with the projects. Alstom knowingly failed to implement and maintain adequate controls to ensure that no unlawful payments were being made to these officials. The arrangements for these consulting agreements originated with the separate international power company described above. Subsequently, Alstom honored, continued, and in certain instances renewed these consulting arrangements without adequate diligence on what services were ostensibly being provided by these consultants, whether the consultants were capable of providing such services, whether the agreed upon consultancy fees were commensurate with such legitimate services, and despite the lack of documentation regarding what legitimate services were provided.

60. Specifically, Alstom, its subsidiaries, and the predecessor entity described above, retained at least six consultants in connection with the first two of the Shoaiba Projects, including all six consultants on the first project. These six consultants included Consultant C and Consultant D, whose primary purpose was not to provide legitimate consulting services to Alstom and its subsidiaries but was instead to provide benefits to Saudi officials who had the ability to influence the award of the first two power projects to Alstom and its predecessors.

61. Little to no due diligence was completed on these consultants in the first instance by the separate power company, nor was additional diligence or investigation performed on the consultants after the completion of Alstom's acquisition of the separate power company in 2000. Alstom also knowingly failed to conduct adequate diligence when it executed new consultancy agreements with two of the consultants who had been originally retained by Alstom's predecessor in Saudi Arabia. This is true despite raising a number of "red flags" described in Alstom's own compliance policies. The consultancy agreements were executed despite the fact that multiple of the consultants were being retained to perform the same ostensible services.

Payments were made to these consultants without adequate supporting documentation, and no testing or auditing was conducted on any of the consultant invoices or payments.

62. Internal company documents refer to the consultants in code, including names such as "Mr. Geneva" (Consultant C), "Mr. Paris" (Consultant D), "London," "Quiet Man," and "Old Friend." Consultant C, or "Mr. Geneva," was the brother of a high-level official at the SEC who had the ability to influence the award of the Shoaiba Projects ("Official 5"), which certain Alstom employees knew. Internal documents reflect that Mr. Geneva was paid approximately $5 million, with no documentation of any legitimate services having been performed by Consultant C commensurate with a $5 million fee and with no documentation of any technical or other expertise justifying such a fee.

63. Consultant D, or "Mr. Paris," was a close relative of another high-level official at the SEC who had the ability to influence the award of the Shoaiba Projects ("Official 6"), which certain Alstom employees knew. Internal documents reflect that Mr. Paris was paid at least $4 million, with no documentation of any legitimate services having been performed by Consultant D commensurate with a $4 million fee and with no documentation of any technical or other expertise justifying such a fee.

64. Consultant E, known as "London," received at least $30 million in fees in connection with multiple consultancy agreements for the first two Shoaiba Projects. Alstom did not require of Consultant E documentation of what he actually did to justify these sums of money, and what little documentation exists in Alstom's files for Consultant E's services was created after the fact and with the assistance of Alstom employees.

65. In Saudi Arabia, Alstom hired two consultants at virtually the same time to perform the same ostensible services on the same project. These consultants included Consultant

E and Consultant F, referred to as "OF" or "Old Friend." The agreements, executed on or about May 1, 2002 and October 1, 2002, respectively, both cover ostensible services such as "establishing contacts," "arranging appointments," "coordinating customer visits," and "making contacts at all necessary levels." As noted above, Alstom paid Consultant E at least $30 million in total fees, and paid Consultant F ("OF") at least $10 million in total fees, with no documentation of any legitimate services having been performed by these consultants commensurate with their fees. Alstom entered into these agreements despite the fact that the duplicative nature of the services, entered into at the same time and on the same project, raised significant red flags.

66. In addition to paying consultants as a means of bribing key decision makers at the SEC, Alstom and its subsidiaries paid $2.2 million to a U.S.-based Islamic education foundation associated with Official 6. The payments were made in three installments, and internal records at Alstom reflect that these payments were included as expenses related to two of the Shoaiba Projects, rather than as a separate and independent charitable contribution.

67. Alstom together with others took a number of acts to carry out the scheme. For example, Alstom's lead subsidiary for the Shoaiba Projects tracked the consultant expenses incurred, including those described above, and allocated to each of the internal Alstom consortium members a percentage share of such expenses. On or about January 29, 2002, June 5, 2003, October 7, 2003, and March 15, 2004, Alstom's lead subsidiary for the Shoaiba Projects sent written invoices to Alstom Power US for its percentage share of these consultant expenses.

68. In or around January 2000, employees of Alstom and its joint venture partner circulated an action plan for bidding on a particular phase of the Shoaiba Projects, which plan included a section entitled "Client History & Perception: Build the Relationship." One column

listed key officials at the SEC and a corresponding column provided "Most Important Concerns" as related to the designated officials. One of the key officials listed in the plan was Official 6, whose close relative was Consultant C, otherwise known as "Mr. Paris." According to the plan, Official 6 was believed to have "70%" of the decision-making responsibility for SEC matters, including the award of a contract being bid on by Alstom. As the most important concerns related to Official 6, the plan stated, "Honest reputation. Son has been known to deal."

69. Moreover, Alstom knowingly failed to adequately document the full nature of its agreements with its consultants. On or about September 29, 2000, an employee of Alstom's lead subsidiary sent an e-mail to an Alstom Power US employee, among others, discussing payments to a previously retained consultant whose services had already been rendered, stating, "probably you need to create an agreement for your auditors as done before?? If you need support from our side, let me know."

70. On or about June 4, 2002, an Alstom employee sent an e-mail to a sales manager at Alstom Power US and several other Alstom employees, stating, "Without entering into more details, we have concluded a principle agreement with the second network so called 'OF' [Old Friend] for [Shoaiba] Stage II Bid. We have agreed with him to try through his 'system' the 41 wish-item of the feedback that was only partially successful via the network #1. Please note that both networks believe to be the only one working for this issue."

71. In addition, on or about August 21, 2003, an employee of Alstom's lead subsidiary working on the Shoaiba Projects sent an e-mail to an Alstom Power US sales manager, stating, "Could you manage to give us some advice regarding any need to add costs for items such as…Employment of Owner's relatives…Owner's travels, for witnessing tests or for 'other' purposes…?" The Alstom Power US sales manager forwarded this e-mail to another

Alstom Power US employee and a project manager for Alstom Power US, who responded, "This is a significant cost which must be considered in the estimate. Current royal decrees (laws) on the subject of Saudization in the Kingdom require that a minimum of 10% of a companies [sic] employees (companies with 10 or more employees) must b[e] Saudi on construction projects like Shoaiba....'Saudization' of course the hammer used by our client to hire Saudis many of whom are strongly recommended by our client, i.e., friends and family. Minimum costs for these guys would be about 10,000 SAR per month including salary, housing, and other living expenses at site...All-in costs can be as high as $100,000/year depending on the individual's 'qualifications' such as the Consortium's current Site Security Manager....The other problem is that these guys are difficult to lay-off even while ALSTOM's staff is demobilized at the end of the job! Zero productivity may be assumed for any Saudi hire. Make a budget provision!"

72. On or about December 10, 2003, an Alstom employee sent an e-mail to an employee of Alstom Power US and several other Alstom employees working on the Shoaiba Projects regarding a certificate from SEC that was required for Alstom to get paid by the customer for its work on Stage I, Phase 2 of the Shoaiba Projects, stating, "The importance of timely issue of the [certificate] is, as far as AP [Alstom Power] is concerned, of top priority. Hence, I will support financially, in very confidential bases [sic], those who are supporting me respectively us by removing the unreasonable pre-conditions. Taking into consideration that nobody has requested any thing from but is solely my idea and intention on behalf of the Consortium. I will even not mention the Names (Only [two SEC officials] are informed while [another SEC official] will be informed from me confidentially on the telephone). The total amount of support is Euro 20,000 (50% in Saudi Riyals and 50% in Euro). It is very important that no Site Manager or any body else than the above addresses are supposed to be informed

about this. It is very Confidential…I need your O.K. for the sharing. My LN [Lotus Notes e-mail] will be deleted after submission to you."

73. On or about December 10, 2003, one of the Alstom employees who received the e-mail described in Paragraph 72 above responded, "We agree!" That same day, another Alstom employee responded, "We confirm our agreement."

74. In sum, Alstom and its subsidiaries and predecessor companies were awarded the Shoaiba Projects and paid bribes to Saudi government officials, including Official 5 and Official 6, to obtain or retain business in connection with certain of the projects. Alstom knowingly failed to maintain adequate controls to ensure that no unlawful payments were being made with funds paid to the consultants. Alstom also knowingly failed to maintain adequate documentation of the consulting arrangements on the Shoaiba Projects, whether as to the legitimate rationale for hiring a particular consultant, the amount of the consultancy fee, or documentation of the otherwise legitimate services that were allegedly to be performed. No testing or auditing was conducted on the consultants' invoices or payments. Alstom falsely recorded the payments pursuant to these consulting arrangements in its books and records as "consultancy fees" and "commissions" despite the fact that Alstom knew these payments, in whole or in part, were intended to be bribes and other things of value provided to Saudi officials.

Egypt – Power Projects

75. Beginning in or around 2002 and continuing to in or around 2011, Alstom and several subsidiaries, including Alstom Power US, began bidding on various power projects with the Egyptian Electricity Holding Company ("EEHC"), the state-owned and state-controlled electricity company in Egypt. EEHC was an "agency" and "instrumentality" of a foreign government, as those terms are used in the FCPA, Title 15, United States Code, Section 78dd-

1(f)(1). EEHC engaged the services of global power companies to build power stations in Egypt, usually through competitive bids. One such project was the Nubaria power station, with a value of approximately $70 million. Another such project was the El Tebbin power station, with a value of approximately $60 million.

76. However, EEHC was not itself responsible for conducting the bidding on these and other projects, and instead relied on Power Generation Engineering & Service Co. ("PGESCo"), which was controlled by and acted on behalf of EEHC. PGESCo worked "for or on behalf of" EEHC, within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

77. In connection with these projects in Egypt, Alstom disguised on its books and records millions of dollars and other things of value provided to Egyptian officials to obtain or retain business in connection with power projects for Alstom and its subsidiaries. Alstom also knowingly failed to implement and maintain adequate controls to ensure that no unlawful payments were being made to these officials.

78. Specifically, in connection with the bidding on these power projects, Alstom retained Consultant G. Consultant G's primary purpose was not to provide legitimate consulting services to Alstom and its subsidiaries but was instead to make payments to Egyptian officials, including Asem Elgawhary who oversaw the bidding process and who has been charged separately, for the purpose of influencing the award of the contracts.

79. Little to no due diligence was conducted on Consultant G at the time, despite his raising a number of "red flags" described in Alstom's own compliance policies. Alstom also deviated from its normal policy of paying consultants on a pro-rata basis (corresponding to each payment that Alstom received from the customer) to change the terms of payment for Consultant

G so that he received a large payment up front, which provided cash to bribe Egyptian officials, including Elgawhary, for the purpose of securing an improper advantage for Alstom and its subsidiaries in connection with the bidding and awarding of power contracts. Alstom also paid invoices submitted by Consultant G despite the absence of a sufficient description of services rendered or backup documentation for those purported services, and no testing or auditing was conducted on any of the consultant invoices or payments.

80. Alstom and its subsidiaries were ultimately awarded projects in Egypt, including Nubaria and El Tebbin, and made payments to Consultant G for the purpose of paying Egyptian government officials in exchange for their assistance in awarding projects. These payments were falsely recorded in Alstom's books and records as "consultancy fees" and "commissions" despite the fact that a number of Alstom employees and executives knew these payments were bribes.

81. Alstom together with others took a number of acts to carry out the scheme. For example, on or about July 23, 2003, an Alstom employee sent an e-mail to an Alstom employee in Egypt requesting that the terms of payment for Consultant G be revised to Alstom's standard pro rata payments. In the e-mail, the employee wrote, "[Alstom's office in Paris] would like to see standard terms of payment, i.e. pro rata with the contract, instead of the one as in the keys. Is that a problem with [Consultant G]?"

82. On or about July 27, 2003, the Alstom employee in Egypt replied, "I called [Consultant G] and he does have a problem due to the coverage required etc. … You know what I mean …" (Ellipses in original).

83. On or about October 27, 2003, an Alstom employee sent an e-mail to a number of employees stating that he had spoken to Consultant G regarding a new power project in Egypt

and that the terms of payment would be the same as with the Nubaria project – "i.e. 50% on down payment, remaining progress."

84. On or about April 19, 2006, Consultant G sent an e-mail to several Alstom employees requesting payment on an invoice for the Nubaria project. One of the Alstom employees forwarded the e-mail to another Alstom employee responsible for releasing consultancy payments, stating, "FYI, any update on the agent payment?? Perhaps, this is why our payment from [EEHC] is delayed?"

85. From 2004 to 2011, Alstom transferred approximately €5 million to Consultant G's bank account in Germany in connection with the Nubaria project, the El Tebbin project, and others, and Consultant G then transferred more than $3 million to bank accounts for the benefit of Elgawhary and another EEHC official.

86. For example, on or about April 30, 2004, Alstom transferred approximately €467,134 to Consultant G's bank account in Germany, and then on or about May 3, 2004, Consultant G transferred approximately $140,000 to Elgawhary's bank account at Credit Suisse in Switzerland, and on or about June 22, 2004, Consultant G transferred an additional $60,000 to a bank account in Maryland that was owned by Elgawhary and the son-in-law of a high-level official at EEHC.

87. Similarly, on or about May 3, 2007, Alstom transferred approximately €1.1 million to Consultant G's bank account in Germany, and then on or about May 4, 2007, Consultant G then transferred approximately €300,000 to Elgawhary's bank account at Credit Suisse in Switzerland.

Egypt – Transmission and Distribution Projects

88. Beginning in or around 2002 and continuing to in or around 2010, Alstom and several subsidiaries, including Alstom T&D US, also began bidding on various grid projects with EEHC and the Egyptian Electricity Transmission Company ("EETC"), the state-owned and state-controlled electricity transmission company in Egypt. EETC was an "agency" and "instrumentality" of a foreign government, as those terms are used in the FCPA, Title 15, United States Code, Section 78dd-1(f)(1). EETC engaged the services of global power companies to build electric grids in Egypt, usually through competitive bids. One project was the Reactive Power Compensation ("RPC") Project, with a value of approximately $15 million. Another project was the Three Substations Project, with a value of approximately $30 million. Both the RPC Project and the Three Substations Project were funded, at least in part, by the United States Agency for International Development ("USAID").

89. In connection with these two projects, Alstom disguised on its books and records payments and other things of value it provided to Egyptian officials in exchange for those officials' assistance in securing and executing the transmission and distribution projects for Alstom and its subsidiaries. Alstom also knowingly failed to implement and maintain adequate controls to ensure that no unlawful payments were being made to these officials.

90. Specifically, in connection with the bidding on the Three Substations Project and the RPC Project, Alstom retained at least three consultants, including Consultant H. Consultant H's primary purpose was not to provide legitimate consulting services to Alstom and its subsidiaries but was instead to pay bribes to Egyptian officials who had the ability to influence the award of the contracts. Little to no due diligence was completed on these consultants despite raising a number of "red flags" described in Alstom's own compliance policies. Alstom deviated

from its normal policy of paying consultants on a pro-rata basis (corresponding to each payment that Alstom received from the customer) and at least on one occasion paid Consultant H prior to receiving a payment from the customer, which Consultant H could then use to bribe Egyptian officials in exchange for their assistance in awarding power contracts to Alstom and its subsidiaries. Alstom also paid invoices submitted by Consultant H despite the absence of a sufficient description of services rendered or backup documentation for those purported services, and no testing or auditing was conducted on any of the consultant invoices or payments.

91. Alstom T&D US was required to submit regular certifications to USAID regarding the RPC and Three Substations projects and were required to disclose if Alstom or Alstom T&D US was using any third-party vendors or consultants, state whether Alstom or Alstom T&D US were paying any commissions in connection with the projects, and certify that no unlawful payments were being made. Alstom T&D US repeatedly submitted false certifications to USAID in connection with these projects, and did not disclose that consultants were being used, that commissions were being paid, or that unlawful payments were being made.

92. In addition to falsifying records in connection with the retention of consultants and their commission payments, Alstom also falsified its internal records in connection with the provision of money and things of value directly to Egyptian government officials, including "Official 7," a high-level official with decision-making authority on the Three Substations Project and the RPC Project, in exchange for their assistance in awarding the Three Substations Project and the RPC Project to Alstom and its subsidiaries. Alstom employees paid for entertainment and travel for Official 7 and other key decision-makers at EETC and EEHC, and provided those officials with envelopes of cash and other gifts during such travel.

93. Alstom together with others took a number of acts to carry out the scheme. For example, on or about April 23, 2002, an employee of Alstom T&D US sent an e-mail to an employee of another Alstom subsidiary, copying Alstom T&D US Executive and Alstom T&D US Project Manager, stating, "I need to engage you[r] assistance to resolve a critical issue concerning type tests for the several pieces of major equipment on the RPC project....We informed them that our price for equipment was in accordance with US standards which does not require Type Testing performed by independent labs....bottom line they want something??? Money??? I need you to approach [Official 7] to find out what they are looking for to resolve this issue....resolution is critical as we are ready to invoice for delivery."

94. On or about December 28, 2002, an employee of an Alstom subsidiary sent an e-mail to several individuals at Alstom T&D US, including Alstom T&D US Executive, stating, "As you [k]now [Official 7] will be in the US 31/01/02 till 10/01/03 on a mission for the RPC project; Needless to say that we have to take very good care of the lady with an excellent services for her, especially that she was/is still one of the main support to all of us in the running Project and more importantly in the due – under negotiation 3 X S/St. project....[L]ast time when she was [i]n the US she was complaining that less care was give[n] to her, she even told me that the other trainee[s] who were with her were better hosted."

95. On or about December 30, 2002, Alstom T&D US Executive responded, "I will make sure that she is taken care of very well. Either I will personally or if traveling, I will ask [another employee] to see that she is entertained in the best fashion."

96. On or about December 31, 2002, another employee of Alstom T&D US responded to the same e-mail about Official 7, stating, "We have planned a special weekend in NYC with shopping, sightseeing, dining and tickets to a Broadway Musical. We are also hopeful

that [Official 7] will be able to resolve the commercial issues that remain unresolved on the RPC Project."

97. On or about January 27, 2003, an employee of Alstom T&D US sent an e-mail to Alstom T&D US Executive and other Alstom employees, stating, "I want to note that we had an improvement on the margin for this report through claims amendment of 336,000 Euros. However, the margin was impacted by an unexpected commission/fee of $210,000..."

98. On or about January 28, 2003, Alstom T&D US Executive responded, "I don't understand the point about the unexpected commissions! These things should be known at the onset of a project and from then on the amounts should be known."

99. On or about December 2, 2003, after receiving an e-mail from an Alstom finance employee stating that she could not process the invoice for Consultant H because there was insufficient proof of the services provided by Consultant H to justify payment of the invoice, Alstom T&D US Project Manager called the Alstom finance employee and stated that if she "wanted to have several people put in jail [she] should continue to send emails as [she] had earlier in the day" and further instructed her to delete all e-mails regarding the consultant.

100. On or about December 5, 2003, an Alstom employee sent an e-mail to several Alstom T&D US employees, including Alstom T&D US Executive and Alstom T&D US Project Manager, stating, "I was in Cairo this week and I heard that there is a difficulty on the a.m. project to pay the due commission to [Consultant H] for the first installment (25%). I confirm that the agreement we have with [Consultant H] correspond[s] to 1.5% of the amount of our contract. As you already received the down payment and as [Consultant H] performed well for this project, I see no obstacle not to pay asap the invoice they sent you 2 months ago. We are using this agent for some other T&D [grid] projects, and I don't want to take any risk to

jeopardize our chances. Thus, I kindly ask you to proceed asap on this issue and to keep me informed."

101. On or about December 8, 2003, Alstom T&D US Executive forwarded the e-mail referenced in Paragraph 100 above to two executives at Alstom, stating, "Can we keep these emails from flying around with this kind of information on it on a USAID project?"

102. On or about January 27, 2004, Alstom T&D US Project Manager submitted a certification to USAID certifying that no commissions were paid to any agents in connection with the RPC Project.

103. On or about March 11, 2004, an Alstom employee sent an e-mail to several Alstom executives, stating, "We have the visit today in Levallois of [Consultant H]. Still nothing has been done on this issue. Please inform me by return on the exact situation. We are in a bad position for all our other Businesses and thus we need urgent clarification."

104. On or about March 14, 2004, an Alstom employee forwarded to Alstom T&D US Executive and Alstom T&D US Project Manager the e-mail referenced in Paragraph 103 above, stating, "Can you please let me know what is the situation on this subject? Last time that we spoke about this subject in January, you were suppose[d] to pay this invoice."

105. Alstom and its subsidiaries were ultimately awarded the Three Substations Project and the RPC Project and made payments to Consultant H and the other two consultants. These payments were falsely recorded in Alstom's books and records as "consultancy fees" and "commissions" despite the fact that the payments had been made with the understanding they would be passed on, in whole or in part, to Egyptian officials to obtain or retain business in connection with the projects. In addition, Alstom's records fail to contain evidence of any

legitimate services being provided by these consultants, and their retention and payment was affirmatively concealed from USAID by Alstom T&D US employees.

The Bahamas

106. Beginning in or around 1999 and continuing to in or around 2004, Alstom and several subsidiaries began bidding on power projects with the Bahamas Electricity Corporation ("BEC"), the state-owned and state-controlled power company in the Bahamas. BEC was an "agency" and "instrumentality" of a foreign government, as those terms are used in the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

107. Alstom disguised in its books and records payments to Bahamian officials to obtain or retain business in connection with the power projects for Alstom and its subsidiaries. Alstom also knowingly failed to implement and maintain adequate controls to ensure that no unlawful payments were being made to these officials.

108. Specifically, in connection with the bidding on the power projects, Alstom retained Consultant I who, as certain Alstom employees knew, was a close personal friend of "Official 8" a board member of BEC. Consultant I's primary purpose was not to provide legitimate consulting services to Alstom and its subsidiaries but was instead to pay bribes to Official 8 who had the ability to influence the award of the power contracts. Consultant I was a U.S. citizen, was based in the United States, and maintained a bank account in the United States.

109. Alstom did not perform any due diligence on Consultant I despite the fact that Consultant I raised a number of "red flags" described in Alstom's own compliance policies. Consultant I had no knowledge about, or experience in, the power industry. Rather, Consultant I sold furniture and leather products, and exported chemical products and spare parts. Alstom provided Consultant I with the information to include on the invoices he submitted for payment

so that there would be appear to be sufficient documentation of purported services rendered to justify payment. Alstom also paid these invoices despite the absence of backup documentation for the purported services rendered, and no testing or auditing was conducted on any of Consultant I's invoices or payments.

110. Alstom and its subsidiaries were ultimately awarded the power projects by BEC. Alstom made payments to Consultant I for the purpose of paying Official 8 in exchange for his assistance in awarding the projects to Alstom and its subsidiaries. These payments were falsely recorded in Alstom's books and records as consultancy fees and commissions despite the fact that a number of Alstom executives knew these payments were bribes.

111. Alstom together with others took a number of acts to carry out the scheme. For example, on or about April 25, 2000, Consultant I sent a letter to an employee of an Alstom subsidiary, stating, "Please let me know as soon as possible when you are coming so I can set up a meeting with [Official 8] and I [sic]....If you have figured out what to say on the invoice fax it to me so that I can have the invoice prepared when you arrive."

112. On or about June 9, 2000, Consultant I issued a check to Official 8 in the amount of $74,229, which was half of the amount that Alstom paid Consultant I two weeks earlier in connection with a power project with BEC. The check stated in the "For" line: "Commission."

113. On or about June 27, 2000, Consultant I sent an e-mail to an employee of an Alstom subsidiary regarding a consultancy agreement for a new project at BEC, stating, "As per our conversation of last week you stated I should be receiving the final contract in Miami by today, as of yet it has not yet arrived."

114. On or about July 4, 2000, Consultant I sent an e-mail to an employee of an Alstom subsidiary, stating, "Tender is Opening on Thursday, [Official 8] has been appointed to

oversee the opening of the tender by the chairman of the board...Also [Official 8] is trying to Speak With The Ministry who is in charge of Immigration. We also have all our people in place that we discussed. However I still have no contract. [Official 8] told me that we are not going to move forward until we have this contract. You must under stand [sic] we are ready to go and have done all the set up work to get what you need. But we will not go any further until we have this contract."

115. On or about July 5, 2000, the Alstom subsidiary employee sent an e-mail to Consultant I in response to the e-mail referenced in Paragraph 114 above, stating, "I have been discussing with the persons involved in this matter and I can confirm that they have accepted the terms and amount agreed with you verbally in Miami. All the documents will be sent directly to your office in Miami during next week."

116. On or about July 11, 2000, an employee in Compliance at Alstom sent to Consultant I, copying Alstom Executive A, a draft consultancy agreement for the project with BEC. The agreement included a provision 7.2 that required the consultant to warrant that he "shall not directly or indirectly divert or pay any amounts to any person, including but not limited to government officials, employees or agents, or use any amounts due hereunder in a manner which may constitute an unlawful or improper payment under any applicable law." It also contained a provision 10.4 and a provision 10.5 that the agreement would be null and void if the agreement was found to be contrary to the laws of any country or the representations and warranties set forth in the agreement.

117. On or about July 12, 2000, Consultant I sent an e-mail to an employee of an Alstom subsidiary with the subject, "Contract Amendments," stating, "7.2 [prohibiting unlawful payments] How can I sign this?...10.4 & 10.5 [rendering the contract null and void in the event

of unlawful activity] Due to the nature of how we need to secure what is need [sic], these articles can not be in the contract."

118. On or about July 14, 2000, Consultant I sent an e-mail to an employee of an Alstom subsidiary, stating, "Please advise progress of amendments to contract....Also [Official 8] would like your word on the other 1/2% we have discussed."

119. On or about July 21, 2000, the Alstom subsidiary employee sent an e-mail to Consultant I in response to the e-mail referenced in Paragraph 118 above, attaching a revised consultancy agreement and stating that they could not delete the provisions regarding unlawful payments.

120. On or about July 24, 2000, an employee in Compliance at Alstom sent to Consultant I, copying Alstom Executive A, the finalized consultancy agreement for the project with BEC.

121. On or about February 8, 2001, Consultant I sent an e-mail to an Alstom employee regarding delays in the award of the contract, stating, "I have [Official 8] going down to BEC Talk with [a high-level official] to try to get a feel for what's going on."

122. On or about March 1, 2001, an Alstom employee sent a fax to Consultant I, stating, "As per my news, Letter of Acceptance was agreed upon yesterday."

123. On or about March 20, 2001, Consultant I sent an e-mail to an Alstom employee, stating, "I received a suggested copy of how to invoice your company. However there is a notation on it that said I should make a notation of what we did with dates etc....Because of the sensitive nature of what we did to help get this contract, I'm not to [sic] happy about spelling out what we did. [Two Alstom employees] and as well as yourself, know exactly what we did. So please advice [sic] me on this. We have bent over backwards to all the new technicalities dealing

with Alstom Power....Now I have to take on the expence [sic] and the tax problems our company will have to deal with because of needing to open a Bank account outside the country. So please help me out with this and let me know how to do the invoice so we get paid."

124. On or about May 15, 2001, shortly after receiving payment from Alstom, Consultant I issued a check in the amount of approximately $56,000 to Official 8, with the "For" line stating, "Consulting Fee For Alstom Power Contract."

125. On or about September 24, 2001, shortly after receiving payment from Alstom, Consultant I issued a check in the amount of approximately $42,000 to Official 8, with the "For" line stating, "Commission Alstom Power."

126. On or about February 19, 2002, shortly after receiving payment from Alstom, Consultant I issued a check in the amount of approximately $42,000 to Official 8.

127. On or about July 8, 2002, shortly after receiving payment from Alstom, Consultant I issued a check in the amount of approximately $40,000 to Official 8, with the "For" line stating, "Contract."

128. On or about February 12, 2003, shortly after receiving payment from Alstom, Consultant I issued a check in the amount of approximately $27,000 to Official 8, with the "For" line stating, "Commission Alstom Power."

129. In total, Alstom paid Consultant I approximately $650,000 in six installments, and Consultant I, in turn, issued six checks to Official 8 for roughly half of that amount in exchange for Official 8's assistance in securing power projects for Alstom and its subsidiaries.

Taiwan

130. Beginning in and around 2001 and continuing to at least in or around 2008, Alstom and its subsidiaries began bidding on transport-related projects with various entities

responsible for the construction and operation of the metro-rail system in Taipei, Taiwan, including Taipei's Department of Rapid Transit System, known as "DORTS." DORTS was an "agency" of a foreign government, as that term is used in the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

131. One project for DORTS was the command and control room ("CCR") project, which had an overall value of approximately $15 million. In connection with the CCR project, Alstom Transport S.A. and Alstom Signaling US each submitted bids on a different aspect of the project. Alstom Transport S.A. proposed to enter into a consulting arrangement with a Taiwan-based company ("Consultant J").

132. In or around November 2005, when the paperwork for Consultant J was submitted for approval, the documents did not indicate that Consultant J had the requisite expertise in the transport sector. Rather, Consultant J's expertise was listed as a "wholesaler of cigarettes, wines, and pianos."

133. On or about March 15, 2006, when Alstom compliance personnel questioned Alstom personnel in Taiwan about this submission, Alstom personnel in Taiwan explained that "the main business of [Consultant J] is import. . . . For our business, they are a conduit . . . This is often necessary to ensure compliance with our regulations."

134. On or about March 16, 2006, when Alstom compliance personnel inquired further about the description of Consultant J as a "conduit," Alstom personnel in Taiwan explained that "this set up has been successful for transport in the past." He continued, "I will be in Paris on 3 and 4 April [and] I can elaborate then."

135. On or about February 7, 2006, Alstom Transport S.A. formally retained Consultant J on the CCR project.

136. Although Consultant J did in fact have a history of serving as a consultant in other projects in the transport sector, Consultant J failed to satisfy Alstom's internal policies regarding the necessary qualifications for retention, and in any event, the relevant Alstom employees failed to maintain adequate records documenting the satisfactory resolution of the concerns raised by compliance personnel regarding Consultant J's qualifications.

137. On the same CCR project, Alstom Signaling US retained a different consultant. However, during the course of the project, Alstom Signaling US also hired Consultant J as a subcontractor, even though Consultant J was already serving as a consultant to Alstom Transport S.A. on the very same project. No additional diligence was conducted by Alstom Signaling US into Consultant J's adequacy as a subcontractor, and Consultant J's fees as a subcontractor were not subject to Alstom's limitations on the fees that could be paid to consultants. Alstom Signaling US personnel knew that Consultant J had been retained as a consultant on the CCR project by Alstom Transport S.A.

138. In total, Alstom paid Consultant J approximately $380,000 in connection with the CCR project. Alstom knowingly failed to implement a system of internal controls to prevent the retention of Consultant J as a subcontractor, in addition to as a consultant, and otherwise ensure that Consultant J's fees, either as a consultant or as a subcontractor, would not be used to make illegal payments to Taiwanese officials.

139. Alstom's system of internal controls was inadequate as they related to the Taiwan projects. Despite numerous red flags, Alstom personnel knowingly failed to conduct further diligence to ensure that payments to its consultants in Taiwan could not be used to make improper payments to Taiwanese officials after the projects were secured.

**EXHIBIT 3**

**CORPORATE COMPLIANCE PROGRAM**

In order to address any deficiencies in its internal controls, compliance code, policies, and procedures regarding compliance with the Foreign Corrupt Practices Act ("FCPA"), 15 U.S.C. §§ 78dd-1, *et seq.*, and other applicable anti-corruption laws, Alstom S.A. (the "Company") agrees to continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate reviews of its existing internal controls, policies, and procedures.

Where necessary and appropriate, the Company agrees to adopt new or to modify existing internal controls, compliance code, policies, and procedures in order to ensure that it maintains: (a) a system of internal accounting controls designed to ensure that the Company makes and keeps fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance program that includes policies and procedures designed to detect and deter violations of the FCPA and other applicable anti-corruption laws. At a minimum, this should include, but not be limited to, the following elements to the extent they are not already part of the Company's existing internal controls, compliance code, policies, and procedures:

*High-Level Commitment*

1. The Company will ensure that its directors and senior management provide strong, explicit, and visible support and commitment to its corporate policy against violations of the anti-corruption laws and its compliance code.

*Policies and Procedures*

2. The Company will develop and promulgate a clearly articulated and visible corporate policy against violations of the FCPA and other applicable foreign law counterparts

(collectively, the "anti-corruption laws,"), which policy shall be memorialized in a written compliance code.

3. The Company will develop and promulgate compliance policies and procedures designed to reduce the prospect of violations of the anti-corruption laws and the Company's compliance code, and the Company will take appropriate measures to encourage and support the observance of ethics and compliance policies and procedures against violation of the anti-corruption laws by personnel at all levels of the Company. These anti-corruption policies and procedures shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of the Company in a foreign jurisdiction, including but not limited to, agents and intermediaries, consultants, representatives, distributors, teaming partners, contractors and suppliers, consortia, and joint venture partners (collectively, "agents and business partners"). The Company shall notify all employees that compliance with the policies and procedures is the duty of individuals at all levels of the company. Such policies and procedures shall address:

a. gifts;

b. hospitality, entertainment, and expenses;

c. customer travel;

d. political contributions;

e. charitable donations and sponsorships;

f. facilitation payments; and

g. solicitation and extortion.

4. The Company will ensure that it has a system of financial and accounting procedures, including a system of internal controls, reasonably designed to ensure the maintenance of fair and accurate books, records, and accounts. This system should be designed to provide reasonable assurances that:

a. transactions are executed in accordance with management's general or specific authorization;

b. transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets;

c. access to assets is permitted only in accordance with management's general or specific authorization; and

d. the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

*Periodic Risk-Based Review*

5. The Company will develop these compliance policies and procedures on the basis of a periodic risk assessment addressing the individual circumstances of the Company, in particular the foreign bribery risks facing the Company, including, but not limited to, its geographical organization, interactions with various types and levels of government officials, industrial sectors of operation, involvement in joint venture arrangements, importance of licenses and permits in the Company's operations, degree of governmental oversight and inspection, and volume and importance of goods and personnel clearing through customs and immigration.

6. The Company shall review its anti-corruption compliance policies and procedures no less than annually and update them as appropriate to ensure their continued effectiveness, taking into account relevant developments in the field and evolving international and industry standards.

*Proper Oversight and Independence*

7. The Company will assign responsibility to one or more senior corporate executives of the Company for the implementation and oversight of the Company's anti-corruption compliance code, policies, and procedures. Such corporate official(s) shall have the authority to report directly to independent monitoring bodies, including internal audit, the Company's Board of Directors, or any appropriate committee of the Board of Directors, and shall have an adequate level of autonomy from management as well as sufficient resources and authority to maintain such autonomy.

*Training and Guidance*

8. The Company will implement mechanisms designed to ensure that its anti-corruption compliance code, policies, and procedures are effectively communicated to all directors, officers, employees, and, where necessary and appropriate, agents and business partners. These mechanisms shall include: (a) periodic training for all directors and officers, all employees in positions of leadership or trust, positions that require such training (e.g., internal audit, sales, legal, compliance, finance), or positions that otherwise pose a corruption risk to the Company, and, where necessary and appropriate, agents and business partners; and (b) corresponding certifications by all such directors, officers, employees, agents, and business partners, certifying compliance with the training requirements.

9. The Company will maintain, or where necessary establish, an effective system for providing guidance and advice to directors, officers, employees, and, where necessary and appropriate, agents and business partners, on complying with the Company's anti-corruption compliance code, policies, and procedures, including when they need advice on an urgent basis or in any foreign jurisdiction in which the Company operates.

*Internal Reporting and Investigation*

10. The Company will maintain, or where necessary establish, an effective system for internal and, where possible, confidential reporting by, and protection of, directors, officers, employees, and, where appropriate, agents and business partners concerning violations of the anti-corruption laws or the Company's anti-corruption compliance code, policies, and procedures.

11. The Company will maintain, or where necessary establish, an effective and reliable process with sufficient resources for responding to, investigating, and documenting allegations of violations of the anti-corruption laws or the Company's anti-corruption compliance code, policies, and procedures.

*Enforcement and Discipline*

12. The Company will implement mechanisms designed to effectively enforce its compliance code, policies, and procedures, including appropriately incentivizing compliance and disciplining violations.

13. The Company will institute appropriate disciplinary procedures to address, among other things, violations of the anti-corruption laws and the Company's anti-corruption compliance code, policies, and procedures by the Company's directors, officers, and employees.

Such procedures should be applied consistently and fairly, regardless of the position held by, or perceived importance of, the director, officer, or employee. The Company shall implement procedures to ensure that where misconduct is discovered, reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that appropriate steps are taken to prevent further similar misconduct, including assessing the internal controls, compliance code, policies, and procedures and making modifications necessary to ensure the overall anti-corruption compliance program is effective.

*Third-Party Relationships*

14. The Company will institute appropriate risk-based due diligence and compliance requirements pertaining to the retention and oversight of all agents and business partners, including:

a. properly documented due diligence pertaining to the hiring and appropriate and regular oversight of agents and business partners;

b. informing agents and business partners of the Company's commitment to abiding by anti-corruption laws, and of the Company's anti-corruption compliance code, policies, and procedures; and

c. seeking a reciprocal commitment from agents and business partners.

15. Where necessary and appropriate, the Company will include standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are reasonably calculated to prevent violations of the anti-corruption laws, which may, depending upon the circumstances, include: (a) anti-corruption representations and undertakings relating to compliance with the anti-corruption laws; (b) rights to conduct audits of the books and records of

the agent or business partner to ensure compliance with the foregoing; and (c) rights to terminate an agent or business partner as a result of any breach of the anti-corruption laws, the Company's compliance code, policies, or procedures, or the representations and undertakings related to such matters.

*Mergers and Acquisitions*

16. The Company will develop and implement policies and procedures for mergers and acquisitions requiring that the Company conduct appropriate risk-based due diligence on potential new business entities, including appropriate FCPA and anti-corruption due diligence by legal, accounting, and compliance personnel.

17. The Company will ensure that the Company's compliance code, policies, and procedures regarding the anti-corruption laws apply as quickly as is practicable to newly acquired businesses or entities merged with the Company and will promptly:

a. train the directors, officers, employees, agents, and business partners consistent with Paragraph 8 above on the anti-corruption laws and the Company's compliance code, policies, and procedures regarding anti-corruption laws; and

b. where warranted, conduct an FCPA-specific audit of all newly acquired or merged businesses as quickly as practicable.

*Monitoring and Testing*

18. The Company will conduct periodic reviews and testing of its anti-corruption compliance code, policies, and procedures designed to evaluate and improve their effectiveness in preventing and detecting violations of anti-corruption laws and the Company's anti-corruption

code, policies, and procedures, taking into account relevant developments in the field and evolving international and industry standards.

**EXHIBIT 4**

**REPORTING REQUIREMENTS**

Alstom S.A. (the "Company") agrees that it will report to the Department periodically, at no less than twelve-month intervals during a three-year term, regarding remediation and implementation of the compliance program and internal controls, policies, and procedures described in Exhibit 3, so long as the Company satisfies the monitoring requirements contained in the Negotiated Resolution Agreement between the Company and the World Bank Group, effective February 21, 2012 (the "World Bank Resolution"). Such monitoring requirements will be considered satisfied if the World Bank's Integrity Compliance Office concludes that Alstom has implemented a Corporate Compliance Program that complies with the World Bank's integrity compliance policies and practices, particularly those reflected in the World Bank's Integrity Compliance Guidelines. In the event that the Integrity Compliance Office does not certify that the Company has satisfied the monitoring requirements contained in the World Bank Resolution, the Company shall be required to retain an Independent Compliance Monitor, as described more fully below.

**Self Reporting**

1. Should the Company discover credible evidence, not already reported to the Department, that possible corrupt payments or possible corrupt transfers of property or interests may have been offered, promised, paid, or authorized by any Company entity or person, or any entity or person working directly for the Company (including its affiliates and any agent), or that related false books and records have been maintained, the Company shall promptly report such conduct to the Department. If in the Company's judgment such a report to the Department would be inconsistent with French law, such as the French Law No. 68-678 of July 26, 1968, as

amended by Law No. 80-538 of July 16, 1980 (the "Blocking Statute"), or other law, the Company shall report such improper activity in writing to any French Authority identified by the Department (the "French Authority"), which may then transmit such information in accordance with French law to the Department. If the Company does report improper activity to the French Authority, the Company shall inform the Department that it intends to do so prior to such report and specify to whom within the French Authority it is reporting the activity.

2. During this three-year period, the Company shall: (1) conduct an initial review and submit an initial report, and (2) conduct and prepare at least two (2) follow-up reviews and reports, as described below:

a. The Company shall provide these reports to its Board of Directors and contemporaneously transmit copies to the French Authority. The French Authority may then transmit such information in accordance with French law to the Department.

b. By no later than one (1) year from the date this Agreement is executed, the Company shall submit to the Department a written report setting forth a complete description of its remediation efforts to date, its proposals reasonably designed to improve the Company's internal controls, policies, and procedures for ensuring compliance with the FCPA and other applicable anti-corruption laws, and the proposed scope of the subsequent reviews. The Company may extend the time period for issuance of the report with prior written approval of the Department.

c. The Company shall undertake at least two (2) follow-up reviews, incorporating the Department's views on the Company's prior reviews and reports, to further monitor and assess whether the Company's policies and procedures are reasonably designed to detect and prevent violations of the FCPA and other applicable anti-corruption laws.

d. The first follow-up review and report shall be completed by no later than one (1) year after the initial review. The second follow-up review and report shall be completed by no later than one (1) year after the completion of the preceding follow-up review. The final follow-up review and report shall be completed and delivered to the Department no later than thirty (30) days before the end of the Term.

e. The reports will likely include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the reports could discourage cooperation, impede pending or potential government investigations and thus undermine the objectives of the reporting requirement. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except as otherwise agreed to by the parties in writing, or except to the extent that the Department determines in its sole discretion that disclosure would be in furtherance of the Department's discharge of its duties and responsibilities or is otherwise required by law.

f. The Company may extend the time period for submission of any of the follow-up reports with prior written approval of the Department.

**Independent Compliance Monitor**

3. In the event that the Company does not satisfy the monitoring requirements of the World Bank Resolution as described in Paragraph 1 above, the Company agrees to retain an independent compliance monitor (the "Monitor") who is a French national for the term specified in Paragraph 5. The Company agrees to retain the Monitor promptly after the Department's selection pursuant to Paragraph 4 below. The Monitor's duties and authority, and the obligations of the Company with respect to the Monitor and the Department, are set forth in Paragraphs 6-29 below. After consultation with the Department, the Company will propose to the Department a

pool of three (3) qualified candidates to serve as the Monitor within thirty (30) calendar days of a determination by the Integrity Compliance Office that the Company did not satisfy the monitoring requirements contained in the World Bank Resolution. If the Department determines, in its sole discretion, that any of the candidates are not, in fact, qualified to serve as the Monitor, or if the Department, in its sole discretion, is not satisfied with the candidates proposed, the Department reserves the right to seek additional nominations from the Company. The Monitor candidates or their team members shall have, at a minimum, the following qualifications:

a. demonstrated expertise with respect to the FCPA, the anti-corruption provisions of French law, and other applicable anti-corruption laws, including experience counseling on FCPA issues;

b. experience designing and/or reviewing corporate compliance policies, procedures and internal controls, including FCPA and anti-corruption policies, procedures and internal controls;

c. the ability to access and deploy resources as necessary to discharge the Monitor's duties as described in this Exhibit, which is incorporated into the Agreement; and

d. sufficient independence from the Company to ensure effective and impartial performance of the Monitor's duties as described in this Exhibit.

4. The Department retains the right, in its sole discretion, to choose the Monitor from among the candidates proposed by the Company, though the Company may express its preference(s) among the candidates. In the event the Department rejects all proposed Monitors, the Company shall propose an additional three candidates within thirty (30) calendar days after

receiving notice of the rejection. This process shall continue until a Monitor acceptable to both parties is chosen. The Department and the Company will use their best efforts to complete the selection process within sixty (60) calendar days of a determination by the Integrity Compliance Office that the Company did not satisfy the monitoring requirements contained in the World Bank Resolution. If the Monitor resigns or is otherwise unable to fulfill his or her obligations as set out herein and in this Exhibit, the Company shall within thirty (30) calendar days recommend a pool of three qualified Monitor candidates from which the Department will choose a replacement.

5. The Monitor's term shall be three (3) years from the date on which the Monitor is retained by the Company, subject to extension or early termination as described more fully below. The Monitor's powers, duties, and responsibilities, as well as additional circumstances that may support an extension of the Monitor's term, are set forth below. The Company agrees that it will not employ or be affiliated with the Monitor for a period of not less than one (1) year from the date on which the Monitor's term expires. Nor will the Company discuss with the Monitor the possibility of further employment or affiliation during the Monitor's term.

*Monitor's Mandate*

6. The Monitor's primary responsibility is to assess and monitor the Company's compliance with the terms of the Agreement, including the Corporate Compliance Program in Exhibit 3, so as to specifically address and reduce the risk of any recurrence of the Company's misconduct. During the Term of the Monitorship, the Monitor will evaluate, in the manner set forth below, the effectiveness of the internal accounting controls, record-keeping, and financial reporting policies and procedures of the Company as they relate to the Company's current and ongoing compliance with the FCPA, the anti-corruption provisions of French law, and other

applicable anti-corruption laws (collectively, the "anti-corruption laws") and take such reasonable steps as, in his or her view, may be necessary to fulfill the foregoing mandate (the "Mandate"). This Mandate shall include an assessment of the Board of Directors' and senior management's commitment to, and effective implementation of, the corporate compliance program described in Exhibit 3 of the Agreement.

*Company's Obligations*

7. The Company shall cooperate fully with the Monitor, and the Monitor shall have the authority to take such reasonable steps as, in his or her view, may be necessary to be fully informed about the Company's compliance program in accordance with the principles set forth herein and applicable law, including applicable data protection and labor laws and regulations, such as, among others, the Blocking Statute. To that end, the Company shall: facilitate the Monitor's access to the Company's documents and resources; not limit such access, except as provided in Paragraphs 9-10; and provide guidance on applicable local law (such as relevant data protection and labor laws). The Company shall provide the Monitor with access to all information, documents, records, facilities, and employees, as reasonably requested by the Monitor, that fall within the scope of the Mandate of the Monitor under the Agreement. The Company shall use its best efforts to provide the Monitor with access to the Company's former employees and its third-party vendors, agents, and consultants.

8. Any disclosure by the Company to the Monitor concerning corrupt payments, false books and records, and internal accounting control failures shall not relieve the Company of any otherwise applicable obligation to truthfully disclose such matters to the Department, pursuant to the Agreement.

*Withholding Access*

9. The parties agree that no attorney-client relationship shall be formed between the Company and the Monitor. In the event that the Company seeks to withhold from the Monitor access to information, documents, records, facilities, or current or former employees of the Company that may be subject to a claim of attorney-client privilege or to the attorney work-product doctrine, or where the Company reasonably believes production would otherwise be inconsistent with applicable law, the Company shall work cooperatively with the Monitor to resolve the matter to the satisfaction of the Monitor.

10. If the matter cannot be resolved, at the request of the Monitor, the Company shall promptly provide written notice to the Monitor and to the French Authority. The French Authority may then transmit such information in accordance with French Law to the Department. Such notice shall include a general description of the nature of the information, documents, records, facilities or current or former employees that are being withheld, as well as the legal basis for withholding access. The Department may then consider whether to make a further request for access to such information, documents, records, facilities, or employees to be provided by the Company to the French Authority.

*Monitor's Coordination with the Company and Review Methodology*

11. In carrying out the Mandate, to the extent appropriate under the circumstances, the Monitor should coordinate with Company personnel, including in-house counsel, compliance personnel, and internal auditors, on an ongoing basis. The Monitor may rely on the product of the Company's processes, such as the results of studies, reviews, sampling and testing methodologies, audits, and analyses conducted by or on behalf of the Company, as well as the Company's internal resources (e.g., legal, compliance, and internal audit), which can assist the

Monitor in carrying out the Mandate through increased efficiency and Company-specific expertise, provided that the Monitor has confidence in the quality of those resources.

12. The Monitor's reviews should use a risk-based approach, and thus, the Monitor is not expected to conduct a comprehensive review of all business lines, all business activities, or all markets. In carrying out the Mandate, the Monitor should consider, for instance, risks presented by: (a) the countries and industries in which the Company operates; (b) current and future business opportunities and transactions; (c) current and potential business partners, including third parties and joint ventures, and the business rationale for such relationships; (d) the Company's gifts, travel, and entertainment interactions with foreign officials; and (e) the Company's involvement with foreign officials, including the amount of foreign government regulation and oversight of the Company, such as licensing and permitting, and the Company's exposure to customs and immigration issues in conducting its business affairs.

13. In undertaking the reviews to carry out the Mandate, the Monitor shall formulate conclusions based on, among other things: (a) inspection of relevant documents, including the Company's current anti-corruption policies and procedures; (b) on-site observation of selected systems and procedures of the Company at sample sites, including internal accounting controls, record-keeping, and internal audit procedures; (c) meetings with, and interviews of, relevant current and, where appropriate, former directors, officers, employees, business partners, agents, and other persons at mutually convenient times and places; and (d) analyses, studies, and testing of the Company's compliance program.

*Monitor's Written Work Plans*

14. To carry out the Mandate, during the Term of the Monitorship, the Monitor shall conduct an initial review and prepare an initial report, followed by at least two follow-up reviews

and reports as described in Paragraphs 20-23 below. With respect to the initial report, after consultation with the Company, the Monitor shall prepare the first written work plan that shall be submitted no fewer than thirty (30) calendar days after being retained to the Company and the French Authority. The French Authority may then transmit such information in accordance with French Law to the Department. The Company and the Department shall have no more than thirty (30) calendar days after receipt of the written work plan to provide comment to the Monitor about the work plan. With respect to each follow-up report, after consultation with the Company, the Monitor shall prepare a written work plan that shall be submitted to the Company and the French Authority at least thirty (30) calendar days prior to commencing a review. The French Authority may then transmit such information in accordance with French Law to the Department. The Company and the Department shall have no more than thirty (30) calendar days after receipt of the work plan to provide comment to the Monitor about the work plan. Any disputes between the Company and the Monitor with respect to any written work plan shall be decided by the Department in its sole discretion.

15. All written work plans shall identify with reasonable specificity the activities the Monitor plans to undertake in execution of the Mandate, including a written request for documents. The Monitor's work plan for the initial review shall include such steps as are reasonably necessary to conduct an effective initial review in accordance with the Mandate, including by developing an understanding, to the extent the Monitor deems appropriate, of the facts and circumstances surrounding any violations that may have occurred before the date of the Agreement. In developing such understanding the Monitor is to rely to the extent possible on available information and documents provided by the Company. It is not intended that the

Monitor will conduct his or her own inquiry into the historical events that gave rise to the Agreement.

*Initial Review*

16. The initial review shall commence no later than one hundred twenty (120) calendar days from the date of the engagement of the Monitor (unless otherwise agreed by the Company, the Monitor, and the Department). The Monitor shall issue a written report within one hundred twenty (120) calendar days of commencing the initial review, setting forth the Monitor's assessment and, if necessary, making recommendations reasonably designed to improve the effectiveness of the Company's program for ensuring compliance with the anti-corruption laws. The Monitor should consult with the Company concerning his or her findings and recommendations on an ongoing basis and should consider the Company's comments and input to the extent the Monitor deems appropriate. The Monitor may also choose to share a draft of his or her reports with the Company prior to finalizing them. The Monitor's reports need not recite or describe comprehensively the Company's history or compliance policies, procedures and practices, but rather may focus on those areas with respect to which the Monitor wishes to make recommendations, if any, for improvement or which the Monitor otherwise concludes merit particular attention. The Monitor shall provide the report to the Board of Directors of the Company and contemporaneously transmit copies to the French Authority. The French Authority may then transmit such information in accordance with French law to the Department. After consultation with the Company, the Monitor may extend the time period for issuance of the initial report for a brief period of time with prior written approval of the Department.

17. Within one hundred and twenty (120) calendar days after receiving the Monitor's initial report, the Company shall adopt and implement all recommendations in the report, unless,

within sixty (60) calendar days of receiving the report, the Company notifies in writing the Monitor and the Department of any recommendations that the Company considers unduly burdensome, inconsistent with applicable law or regulation, impractical, excessively expensive, or otherwise inadvisable. With respect to any such recommendation, the Company need not adopt that recommendation within the one hundred and twenty (120) days of receiving the report but shall propose in writing to the Monitor and the Department an alternative policy, procedure or system designed to achieve the same objective or purpose. As to any recommendation on which the Company and the Monitor do not agree, such parties shall attempt in good faith to reach an agreement within forty-five (45) calendar days after the Company serves the written notice.

18. In the event the Company and the Monitor are unable to agree on an acceptable alternative proposal, the Company shall promptly consult with the Department. The Department may consider the Monitor's recommendation and the Company's reasons for not adopting the recommendation in determining whether the Company has fully complied with its obligations under the Agreement. Pending such determination, the Company shall not be required to implement any contested recommendation(s).

19. With respect to any recommendation that the Monitor determines cannot reasonably be implemented within one hundred and twenty (120) calendar days after receiving the report, the Monitor may extend the time period for implementation with prior written approval of the Department.

*Follow-Up Reviews*

20. A follow-up review shall commence no later than one hundred-twenty (120) calendar days after the issuance of the initial report (unless otherwise agreed by the Company,

the Monitor and the Department). The Monitor shall issue a written follow-up report within ninety (90) calendar days of commencing the follow-up review, setting forth the Monitor's assessment and, if necessary, making recommendations in the same fashion as set forth in Paragraph 16 with respect to the initial review. After consultation with the Company, the Monitor may extend the time period for issuance of the follow-up report for a brief period of time with prior written approval of the Department.

21. Within ninety (90) calendar days after receiving the Monitor's follow-up report, the Company shall adopt and implement all recommendations in the report, unless, within thirty (30) calendar days after receiving the report, the Company notifies in writing the Monitor and the Department concerning any recommendations that the Company considers unduly burdensome, inconsistent with applicable law or regulation, impractical, excessively expensive, or otherwise inadvisable. With respect to any such recommendation, the Company need not adopt that recommendation within the ninety (90) calendar days of receiving the report but shall propose in writing to the Monitor and the Department an alternative policy, procedure, or system designed to achieve the same objective or purpose. As to any recommendation on which the Company and the Monitor do not agree, such parties shall attempt in good faith to reach an agreement within thirty (30) calendar days after the Company serves the written notice.

22. In the event the Company and the Monitor are unable to agree on an acceptable alternative proposal, the Company shall promptly consult with the Department. The Department may consider the Monitor's recommendation and the Company's reasons for not adopting the recommendation in determining whether the Company has fully complied with its obligations under the Agreement. Pending such determination, the Company shall not be required to implement any contested recommendation(s). With respect to any recommendation that the

Monitor determines cannot reasonably be implemented within ninety (90) calendar days after receiving the report, the Monitor may extend the time period for implementation with prior written approval of the Department.

23. The Monitor shall undertake a second follow-up review pursuant to the same procedures described in Paragraphs 20-22. Following the second follow-up review, the Monitor shall certify whether the Company's compliance program, including its policies and procedures, is reasonably designed and implemented to prevent and detect violations of the anti-corruption laws. The final follow-up review and report shall be completed and delivered to the Department no later than thirty (30) days before the end of the Term.

*Monitor's Discovery of Misconduct*

24. Should the Monitor, during the course of his or her engagement, discover that:

- possible corrupt payments (or transfers of property or interests) may have been offered, promised, made, or authorized by any entity or person within the Company or any entity or person working, directly or indirectly, for or on behalf of the Company; or
- false books and records may have been maintained by the Company either (a) after the date on which this Agreement was signed or (b) that have not been adequately dealt with by the Company (collectively "improper activities"), the Monitor shall promptly report such improper activities to the Company's General Counsel, Chief Compliance Officer, and/or Audit Committee for further action. If the Monitor believes that any improper activities may constitute a violation of law, the Monitor also shall report such improper activities to the Department. If in the Monitor's judgment such a report to the Department would be inconsistent

with French law, such as the Blocking Statute, or other law, the Monitor shall report such improper activity in writing to the French Authority, which may then transmit such information in accordance with French law to the Department. The Monitor should disclose improper activities in his or her discretion directly to the Department or the French Authority, as described above, and not to the Company, only if the Monitor believes that disclosure to the Company would be inappropriate under the circumstances, and in such case should disclose the improper activities to the General Counsel, Chief Compliance Officer, and/or the Audit Committee of the Company as promptly and completely as the Monitor deems appropriate under the circumstances. The Monitor shall address in his or her reports the appropriateness of the Company's response to all improper activities, whether previously disclosed to the Department or not. Further, in the event that the Company, or any entity or person working directly or indirectly for or on behalf of the Company, withholds information necessary for the performance of the Monitor's responsibilities, if the Monitor believes that such withholding is without just cause, the Monitor shall disclose that fact in writing to the French Authority (with appropriate notice to the Department). The French Authority may then transmit such information in accordance with French Law to the Department. The Company shall not take any action to retaliate against the Monitor for any such disclosures or for any other reason. The Monitor shall report material criminal or regulatory violations by the Company or any other entity discovered in the course of performing his or her duties, in the same manner as described above. If in the Monitor's judgment such a report to the

Department would be inconsistent with French law, such as the Blocking Statute, or other law, the Monitor shall report such criminal or regulatory violations by the Company to the French Authority, which may then transmit such information in accordance with French law to the Department.

*Meetings During Pendency of Monitorship*

25. The Monitor shall meet with the Department within thirty (30) calendar days after providing each report to the Department to discuss the report, to be followed by a meeting between the Department, the Monitor, and the Company.

26. At least annually, and more frequently if appropriate, representatives from the Company and the Department will meet together to discuss the monitorship and any suggestions, comments, or improvements the Company may wish to discuss with or propose to the Department, including with respect to the scope or costs of the monitorship.

*Provision of Reports and Other Information Via the French Authority*

27. It shall not be deemed inconsistent with law if reports or other information otherwise protected by the Blocking Statute may be provided to the Department in accordance with French Law via the French Authority or in some other manner.

28. The Company undertakes to use its best efforts to ensure that any information that might be protected by the Blocking Statute or by other laws that becomes the subject of the Monitor's reviews or reports is provided to the Department expeditiously in accordance with French law via the French Authority or in some other appropriate manner.

*Contemplated Confidentiality of Monitor's Reports*

29. The reports will likely include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the reports could discourage cooperation,