EUROPEAN AGREEMENT

Between

Alstom Management,

represented by Mr Patrick Dubert
Chief Human Resources Officer

Schneider Electric Management,

represented by Mrs Karen Ferguson
Executive Vice-President Human Resources

on the one hand

the European Metalworkers' Federation

represented by Mr Bart Samyn
Deputy General Secretary

on the other hand

The following agreement is concluded :

Preamble

Alstom and Schneider Electric have been selected for the acquisition of the « T and D » activity of the Areva group ; the Transmission activity is to be integrated within Alstom and the Distribution activity within Schneider Electric.

On this occasion, Alstom and Schneider Electric have stated that this acquisition is part of their development strategies. This acquisition does not hamper the financial solidity of the two groups and does not negatively impact their development capacities. The two groups therefore intend to maintain aggressive policies of investment and Research and Development

The presidents of the Alstom and Schneider groups, present during the meeting of the Areva group European Works Council, on December 17th, 2009, have taken precise social commitments

concerning the evolution of employment in the T and D activity when it is taken over and integrated into each of the two groups: These commitments reflect their positive medium and long-term appreciation of the electricity transmission and distribution markets, as well as the combined assets of AREVA T&D and the Alstom and Schneider groups to pursue their development on these markets.

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

Article 1 : A position for each employee

All employees included in the headcount of Areva T and D at the date of acquisition of this activity by the Alstom-Schneider Electric consortium will benefit from an equivalent position in the same employment area ; this means either the same location, or located less than one hour's or approximately 10 kilometres' distance from the previous location. If necessary, this distance will be appreciated in coordination with the local employee representatives of the concerned sites. The objective is to avoid any significant increase of the employees' commuting time, as collectively estimated compared to the current situation

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

Article 2 : Social commitments

Except for plans communicated to the employees of Areva T&D prior to the date of transfer of property, the following commitments are confirmed :

- Except in the case of moves as described in article 1, no site coming from Areva T and D will be closed in Europe until 24 March 2013
- no plan concerning collective departures - other than voluntary - will be implemented in Europe until 24 March 2013, unless economic conditions significantly deteriorate, as defined in the minutes of the Areva European Works Council of December 17th, 2009.

These two commitments apply :

- for Alstom, within the scope of its new Transmission Sector, which will integrate the Areva T&D activities taken over by Alstom
- for Schneider Electric, within the entire scope of its BU Energy activity, which will integrate the Areva T&D activities taken over by Schneider Electric.

The adaptations of the organisation or capacity which might be required to meet market needs will be submitted to consultation with the signing parties and the employee representative instances of the concerned group, before implementation.

In the case of Schneider Electric, this measure will be applied in line with the European agreement which exists on anticipation of change.

In all cases, this formal commitment to T&D employees cannot be detrimental to other Alstom or Schneider Electric employees (not coming from AREVA T&D).

Article 3 : Geographical application of the agreement

The present agreement concluded between the EMF, Alstom and Schneider is applicable

- for Alstom, within the scope of its European Works Forum

- For Schneider Electric, within the scope of its European Committee

and in the following European countries, if they are not included within the scope of the European Committees of Alstom and Schneider Electric :

- The countries of the European Union
- Switzerland
- Turkey
- Norway

Article 4 : Integration and training

Alstom and Schneider Electric commit to implement specific measures for the Areva T&D employees, in order to facilitate their rapid integration.

In particular, the training policy implemented by the two groups for the integrated activities will support the strategic development of these activities. It will be designed to favour the development of the people and of the integrated activities within their new scope. The training plan for the employees coming from T&D and the associated strategic objectives integrating the priorities, resources and implementation procedure will be presented for the first time to the European Works Council of the two Groups within 6 months of the closing. The implementation, country by country, will be conducted in accordance with local regulations and agreements.

Article 5 : Social dialogue, European Works Council

Alstom and Schneider Electric commit to maintain high-level social dialog with the trade union and employee representatives in each of the European countries, in accordance with existing collective agreements and national legislations.

The two groups commit to facilitate the rapid integration of the activities coming from Areva T&D within the social instances of the two groups.

The parties agree to rapidly address, during the meetings of their European Works Councils, the issue of the procedure to integrate the Transmission activity within Alstom and the Distribution activity within Schneider Electric, within the scope of their respective European instances, with the objective to finalize this integration by the end of 2010.

Article 6 : Collective group agreements

Alstom and Schneider Electric both commit to assess the Areva agreements which exist at group level, within one year following the integration of the Areva T&D employees.

This assessment will be debated with the trade union representatives of each of the two groups, in order to include these themes in the social negotiations, according to the applicable rules at European, national and sector level.

Areva's European Agreement on Equal Opportunities will be put on the agenda of the Alstom and Schneider European Works Councils as soon as these instances are enlarged to the activities coming from Areva T&D.

Article 7 : Follow-Up

The signing parties agree to meet once a year to ensure that this Agreement is followed up at European level.

They agree that the implementation procedure of this Agreement will be specifically followed up by the Alstom and Schneider Electric groups, within the meetings of their European Works Councils, and country by country, within their respective social instances.

Article 8 : Non-regression and non-substitution

The present agreement cannot be used in lieu of more favourable national legislations and/or conventions agreed at company level, at local, national or regional level.

The French version of this agreement is to serve as official reference.

July 5th, 2010

Signatures

For Alstom

For Schneider Electric

For the European Metalworkers' Federation