



ANSALDO STS S.P.A.

REGISTERED OFFICE IN GENOA, VIA PAOLO MANTOVANI 3 – 5

SHARE CAPITAL EURO 80,000,000.00 FULLY SUBSCRIBED AND PAID UP NUMBER OF REGISTRATION IN THE BUSINESS REGISTER OF GENOA AND TAX CODE 01371160662

SUBJECT TO DIRECTION AND COORDINATION BY FINMECCANICA S.P.A.

Extraordinary Shareholders' Meeting

6 May 2013

Explanatory Report of the Board of Directors drafted pursuant to article 72 of the CONSOB resolution no. 11971 of 14 May 1999

Item 1 on the agenda of the extraordinary session – Amendments to the Company's By-laws. Related and consequent resolutions. Amendments to articles 11.3, 11.4, 15.3, 16.3, 16.4, 16.5, 16.7, 27.1, 27.2 of the Company's By-Laws and introduction of the new Article 33 to the Company's By-Laws.

Dear Shareholders,

the extraordinary session has been convened in order to discuss and resolve on the proposal to amend some of the provisions in the Company's By-laws, as specified below.

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Proposal to amend articles 11.3, 11.4 and 15.3 of the Company's By-laws.

Legislative Decree no. 91/2012, containing "*Amendments and additions to Legislative Decree no. 27 of 27 January 2010, implementing European Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies*" was approved on 18 June 2012.

Legislative Decree no. 91/2012 was published in the Official Journal no. 152 of 2 July 2012 and entered into force on 17 July 2012.

One of the main innovations introduced by the aforesaid Legislative Decree no. 91/2012 applies to the procedures used to convene shareholders' meetings for companies in the venture capital market.

More specifically, Legislative Decree no. 91/2012 amended the second sentence of the first subsection of article 2369 of the Italian Civil Code on convening shareholders' meetings. The previous provision established that the by-laws of listed companies could exclude the use of more than one call, therefore making the use of several calls the default regulation in the absence of any other, express clause in the by-laws.

Basically, Legislative Decree 91/2012 overturned that provision and now establishes the single call as the default regulation for convening shareholders' meetings of listed companies. In fact, the new legislative

wording is: *“unless express provision to the contrary is made in the By-laws, the shareholders’ meetings of companies that use the venture capital market shall be convened in a single session”*.

In light of the above, we therefore propose that the extraordinary shareholders’ meeting of Ansaldo STS approve the amendments to the current articles 11.3, 11.4 and 15.3 of the Company’s By-laws so that both the ordinary and the extraordinary shareholders’ meetings of the company are held by default in a single session, in line with the new wording of article 2369, subsection one, second sentence of the Italian Civil Code.

In order to give the Board of Directors some leeway for independence we also consider that the By-laws should be amended, within the limits of the statutory independence recognised to every issuer by the aforesaid article 2369, subsection one, second sentence of the Italian Civil Code, so that if the Board of Directors deems it necessary and with express indication in the notice convening the meeting, it may in any case establish that individual Shareholders’ Meetings be held further to more than one call.

In light of the above, we propose amending articles 11.3, 11.4 and 15.3 of the Company’s By-laws as indicated below:

- article 11.3: we propose eliminating the provision contained in the second sentence, that currently reads *“This notice may foresee a third call”*;
- article 11.4: we propose adopting the following new wording: *“Ordinary and extraordinary meetings are normally held further to one single call. However, the Board of Directors may decide, if it so deems appropriate and giving a specific indication thereof in the meeting notice, that both ordinary and extraordinary meetings may be held further to more than one call”*;
- article 15.3: we propose adopting the following new wording, which – compared to the wording currently in force – eliminates the reference to more than one call: *“Resolutions, both in ordinary and in extraordinary shareholders’ meetings, are passed with the respective quorums required by law, except for the appointment of administrative and control bodies, to which articles 16.3 and 27.2 shall apply”*.

The proposed amendments of the aforesaid articles are analysed in the tables in the last section of this Report, with the text compared side by side.

Proposal to amend articles 16.3, 16.4, 16.5, 16.7, 27.1, 27.2 of the Company’s By-laws and introduction of the new Article 33 to the Company’s By-laws.

On 12 July 2011, Law no. 120/2011 was approved, containing *“Amendments to the Consolidated Law on the requirements for financial intermediation, under Legislative Decree no. 58 of 24 February 1998, concerning equality of access to the administrative and control bodies of companies listed in regulated markets”*.

This Law entered into force on 12 August 2011, and amended articles 147-ter and 148 of Legislative Decree no. 58/98 concerning, respectively, the appointment and composition of the board of directors and the board of statutory auditors of companies with listed shares.

In particular, with reference to the appointment and composition of the board of directors, pursuant to the new subsection 1-ter of article 147-ter of Legislative Decree no. 58/98, the By-laws of companies with listed shares must state *“that the division of the directors to be appointed shall be carried out on the basis of a criterion that ensures a balance of genders”*. The new provision indicates that – with the exception of what is set forth hereafter with reference to the provisional regime – the less represented gender shall form *“at least one third of the appointed directors”*. Pursuant to the aforesaid subsection 1-ter, such division criteria shall apply for three consecutive terms. With reference to the procedures to implement and enact said provisions, according to article 147-ter, subsection 1-ter of Legislative Decree no. 58/98, the By-laws shall determine *“the procedures for forming slates and the cases of replacement during a mandate, in order to ensure compliance with the division criterion”* mentioned above.

Provisions with almost the same content have also been introduced with regard to the appointment and composition of the board of statutory auditors. Pursuant to the new subsection 1-*bis* of article 148 of Legislative Decree no. 58/98, the By-laws shall indicate that the division of criterion of the members of the board of statutory auditors shall be carried out – save for what is set forth hereafter with reference to the provision regime – “*so that the less represented gender forms at least one third of the regular members of the board of statutory auditors*”. This provision must also be applied for three consecutive terms.

Both for the appointment of the board of directors and for the appointment of the board of statutory auditors, CONSOB has the power to issue regulations defining provisions in relation to the infringement, application and observance of the rules on gender quotas, also with reference to the preliminary phase and to the procedures to be adopted.

For the purposes of implementing that power, on 8 February 2012, CONSOB approved resolution no. 18098, which introduced a new section to the Regulation adopted with resolution no. 11971 of 14 May 1999 (the “**Issuers’ Regulation**”), concerning the “*Gender balance in the composition of administrative and control bodies*”, composed of article 144-*undecies*.1 only.

This article establishes that the By-laws of companies with listed shares shall determine: (i) the procedures for forming slates, and the additional criteria for the purpose of appointing the single members of the boards, which ensure compliance with the gender balance after the results of voting (in this respect, the rule expressly states that By-laws shall not provide for compliance with the gender division criterion for slates composed of fewer than three candidates); (ii) the procedures for replacing members of the boards that leave office during their mandate, taking into account the gender division criterion. As regards the methods used to calculate the ratio (which, as specified hereafter, is one fifth for the first term and one third for the following two terms) required under Law 120/2011, CONSOB’s provisions clarify that, with the application of the gender division criterion provided for under the law, if the result is not a whole number of members of the administrative and control bodies represented by the less represented gender, that number must be rounded up to the next unit.

As regards the timeframe for applying the aforesaid provisions, article 2 of Law 120/2011 established that the new rules are to be applied from the first renewal of the administrative and control bodies of the companies with listed shares “*one year after the entry into force*” of that same Law, and therefore from the first renewal of corporate bodies after 12 August 2012.

The terms of the Board of Directors and the Board of Statutory Auditors of Ansaldo STS currently in office will both expire at the time of the Shareholders’ Meeting called to approve the 2013 financial statements. This means that the corporate bodies will be renewed in Spring 2014 and the appointments must be made in compliance with the new provisions relating to gender balance.

In light of the above, it is therefore necessary to adopt the relevant amendments of the Company’s By-laws during this Shareholders’ Meeting, in order to harmonise the By-laws in time for the appointment of the corporate bodies, scheduled for next year.

In particular, in relation to the gender division criterion to be complied with at the first renewal of the corporate bodies after the aforesaid date of 12 August 2012, an express provisional regime under Law 120/2011 introduces a principle for gradual application of the gender balance regulations. In fact, the aforesaid article 2 provides that for the first term of appointment, a quota of “*at least one fifth of the appointed directors and statutory auditors*” shall be reserved to the less represented gender, instead of the one third indicated in the above described subsections 1-*ter* of article 147-*ter* and 1-*bis* of article 148 of Legislative Decree no. 58/98.

In light of the above, the proposals to amend articles 16.3, 16.4, 16.5, 16.7, 27.1 and 27.2 of the Ansaldo STS By-laws are set out below:

- article 16.3, subsection three: with reference to the appointment of the Board of Directors, we first of all propose that, in compliance with the requirements under article 144-*undecies*.1 of the Issuers’ Regulation, slates that include “*three or more than three*” candidates shall also include candidates of different genders, as set forth in the notice convening the Shareholders’ Meeting, to make sure the

composition of the Board of Directors complies with the provisions of the applicable law on gender balance. The reference to the notice convening the meeting appears advisable in order to avoid introducing overly complex clauses to the By-laws to guarantee compliance with the numerical ratios – one fifth and one third – provided for under Law 120/2011 in relation to the first mandate and to the following two terms of appointment, respectively.

- article 16.3, subsection nine, letter c-bis) (new): in order to provide for the additional criteria that – in conformity with the requirements of article 144-undecies.1, subsection 2, letter a), of the Issuers' Regulation – make it possible to ensure compliance with the gender balance regulations even if the outcome of the voting results does not immediately arrive at the minimum percentage of the less represented gender according to the applicable law, we propose introducing the following “sliding clause” in the new letter c-bis): *“If, following application of the procedure set forth in letters a) and b), the gender balance requirements are not met according to the applicable law, the number of votes obtained by each slate is divided by the order of ranking of each of the aforesaid candidates to calculate the ratio of votes to allot each candidate drawn from the slates presented; the elected candidates of the more represented gender with the lowest ratio of elected candidates is replaced by the candidate of the less represented gender indicated (with the highest order of ranking) on the same slate as the replaced candidate, without prejudice to compliance with the minimum number of directors who satisfy the independence requirements stated by law. If that slate does not include other candidates of the less represented gender, the replacement as above is made by the shareholders' meeting with the legal majority according to the provisions set forth in article 16.4 below, in keeping with the principle of proportionate representation of minorities on the board of directors. If candidates on different slates obtain the same ratio, the following procedure is used to identify which candidate to replace: (i) the candidate drawn from the slate that obtained the most votes is replaced, or (ii), if the mechanism set forth in point (i) is not applicable, the candidate taken drawn from the slate that obtained the least votes is replaced or (iii), if the mechanism set forth in point (ii) is not applicable as well, the candidate that obtained the least votes of shareholders casting a specific vote for this, is replaced. Once the candidate to replace is identified, the replacement is made according to the criteria set forth in the first and second paragraph of this letter c-bis)”*;
- article 16.4: we propose that, if the Shareholders' Meeting appoints Directors without using the slate voting procedure (therefore, applying the majority vote principle), it shall in any case pass resolution that ensures compliance with the applicable law on gender balance, in addition to the presence of the minimum number of independent directors as required by the applicable law;
- article 16.5: we propose that, also in the event of cooption by the Board of Directors, pursuant to article 2386 of the Italian Civil Code, the procedures comply with the applicable law on gender balance;
- article 16.7: by analogy with the above, we propose provisions whereby the replacement Directors who leave office before their term expires complies with the applicable law on gender balance, even if the Board of Directors was originally appointed without the slating vote procedure, pursuant to article 16.4 of the By-laws;
- article 27.1: in order to enable compliance with the applicable law on gender balance, also in relation to the replacement of members of the Board of Statutory Auditors who leave office before their term expires (a specific procedure is provided for this possibility, explained below with reference to article 27.2 of the By-laws), we propose increasing the number of alternate Auditors from two to three. In this respect, please note that according to article 148, subsection 1), letter b) of Legislative Decree 58/98, the Company's By-laws shall establish *“the number of no less than two alternate members”* for the Board of Statutory Auditors.
- article 27.2, subsection three (new): as described above with reference to the Board of Directors, to appoint the Board of Statutory Auditors, we propose the provision that *“taking into account both sections, slates with three or more candidates shall include different genders, both for the first two*

names in the section of the slate relating to regular statutory auditors and the first two names in the section of the slate relating to alternate auditors”;

- article 27.2, subsection ten (formerly nine): in light of the above proposal to increase the number of alternate auditors from two to three, we propose provisions whereby, in carrying out the appointment procedure, two alternate auditors (instead of only one) are drawn from the slate that won the majority of votes, in the order of ranking in which they are slated;
- article 27.2, subsection eleven (formerly ten): if the Board of Auditors is appointed without complying with the slate voting procedure, we propose provisions whereby resolutions of the Shareholders’ Meeting in any case ensure compliance with the applicable law on gender balance;
- article 27.2, subsection twelve (formerly eleven): with reference to the above prospect, whereby during the mandate it becomes necessary to replace one of the statutory auditors drawn from the slate that received the highest number of votes, we propose replacement by the first ranked alternative Auditor drawn from the same slate. Moreover, if the above replacement made following the aforesaid procedure does not enable the forming of a Board of Statutory Auditors compliant with the applicable law on gender balance, we propose provisions for replacement by the second alternate auditor drawn from the same slate;
- article 27.2, subsection fourteen (new): if replacement with the alternative Auditors cannot ensure compliance with the applicable law on gender balance, we propose introducing the following clause as a precaution: *“If the procedure used to replace auditors who leave before the end of their term of office with alternate auditors as described above does not ensure compliance with the applicable law on gender balance, the Shareholders’ Meeting shall be convened as soon as possible in order to ensure compliance with the aforesaid law”;*
- article 27.2, subsection fifteen (formerly ten): we propose that, if the Shareholders’ Meeting is required to resolve on the replacement of an Auditor pursuant to article 2401 of the Italian Civil Code, the procedures shall ensure compliance with the applicable law on gender balance;
- new article 33: considering the fact that Law no. 120/2011, as set out above, provides that the provisions on gender balance apply for *“three consecutive terms”*, we propose introducing the new article 33 to the By-laws as follows: *“The provisions of articles 16.3, 16.4, 16.5, 16.7 and 27.2 aimed at ensuring compliance with the applicable law on gender balance shall be applied for the first three appointments of the new Board of Directors and Board of Auditors, after the entry into force and the effectiveness of the provisions of article 1 of Law no. 120 of 12 July 2011, published in the Official Gazette no. 174 of 28 July 2011”.*

The proposed amendments of the aforesaid articles and the text of the new article 33 are analysed in the tables in the last section of this Report, with the text compared side by side.

In addition to the above, the following extra amendments to articles 16.3 and 27.2 of the Company’s By-laws are also submitted for the approval of the extraordinary session of the Shareholders’ Meeting:

- article 16.3, subsection five: the current provision of the By-laws states that *“Any shareholders belonging to the same group or being parties to a shareholders’ agreement concerning shares of the Company shall not submit or vote for more than one slate, even by proxy or through trust companies”*. However, this provision introduces certain limits to the By-laws that are not included in the applicable law, which – as regards the appointment of the board of directors – does not contain such provision.

Indeed, article 147-ter, subsection 3 of the TUF is limited to requiring that at least one member of the board of directors is expressly *“from the minority slate that obtained the most votes and that is not in any way, directly or indirectly, connected with the shareholders that submitted or cast votes for the slate that won the most votes”*.

- As regards this, CONSOB also made recommendations on the appointment of the members of the board of directors in its memorandum no. DEM/9017893 of 26 February 2009. In particular, in the

second paragraph of that memorandum, CONSOB recommends that when appointing the administrative body, shareholders that present a “minority slate” shall submit, together with the slate, a declaration attesting to *“the absence of any direct or indirect relationship with the shareholders that hold a controlling stake in the company on their own or jointly, under article 147-ter, subsection 3, of the TUF and article 144-quinquies of the Issuers’ Regulation, where these can be identified on the basis of the disclosure of significant investments under article 120 of the TUF or of the publication of shareholders’ agreements pursuant to article 122 of the same Decree”*. In particular, CONSOB recommends specifying in that declaration *“any significant relationships existing with shareholders that hold a controlling stake or relative majority on their own or jointly, where this is identifiable, in addition to the reasons why those relationships are not considered determinant for the existence of the aforesaid relationships, or indicating the absence of the aforesaid relations”*. In consideration of the above, we propose that the extraordinary session of the Shareholders' Meeting vote to remove the current provision contained in subsection five of article 16.3 from the Company's By-laws, therefore leaving the laws concerning any relationship with shareholders that hold a controlling stake or relative majority jointly or on their own, to be regulated – during the appointment of the board of directors – by the applicable law and by the CONSOB recommendations;

- article 16.3, subsection ten (formerly nine), letter c) (new): in order to guarantee that the results of the procedure to appoint the board of directors include the minimum number of independent directors provided for by applicable law, we propose introducing a new letter c) into subsection ten of article 16.3 of the Company's By-laws (currently subsection nine), containing a “sliding” procedure to follow if the number of independent auditors on the Board of Directors appointed in application of the procedure under letters a) and b) of article 16.3 does not comply with the applicable law. The clause we propose introducing is as follows: *“c) if, following application of the procedure set forth above, the minimum number of independent directors provided by applicable law is not appointed, the number of votes obtained by each slate is divided by the progressive order of ranking of each of the aforesaid candidates to calculate the ratio of votes to allot each candidate drawn from the slates presented; without prejudice to compliance with the applicable law relating to gender balance, the elected candidates who do not satisfy the independence requirements with the lowest ratio amongst the candidates are replaced – starting from the one with the lowest ratio – by any independent candidates that may be included on the same slate as the candidate being replaced (following the progressive order of ranking in which they are slated). If that slate does not include other candidates who satisfy the independence requirements, the shareholders’ meeting shall proceed to the replacement as above by the legal majority, according to the provisions set forth in article 16.4 below, in keeping with the principle of proportionate representation of minorities on the board of directors. If candidates on different slates obtain the same ratio, the following procedure is used to identify which candidate to replace: (i) the candidate drawn from the slate that obtained the most votes is replaced, or (ii), if the mechanism set forth in point (i) is not applicable, the candidate drawn from the slate that obtained the least votes is replaced or (iii), if the mechanism set forth in point (ii) is not applicable as well, the candidate that obtained the least votes of shareholders casting a specific vote for this, is replaced. Once the candidate to replace is identified, the replacement is made according to the criteria set forth in the first and second paragraph of this letter c)”*;
- article 27.2, subsection two: we propose harmonising the text of the By-laws clause with the new terminology used by the Legislator in Legislative Decree no. 39 of 27 January 2010 (implementing Directive 2006/43/EC on statutory audit of annual accounts and consolidated accounts), pursuant to which the register of auditors is now called the register of statutory auditors.

The proposed amendments of the aforesaid articles are analysed in the tables hereafter, with the new and the old text compared side by side.

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Here below is (i) the text of the amendments to articles 11.3, 11.4, 15.3, 16.3, 16.4, 16.5, 16.7, 27.1, 27.2 of the Company's By-laws, highlighting the changes made by the amendment proposal to the current text; and (ii) the text of the new article 33 that we propose to introduce to the By-laws.

Shareholders' Meeting

Article 11

CURRENT TEXT	PROPOSED TEXT
<p>11.3 Shareholders shall be called by a notice published in accordance with terms and provisions of the applicable law. This notice may foresee a third call.</p> <p>11.4 Ordinary and extraordinary meetings are normally held further to more than one call. However, the Board of Directors may decide, if it so deems appropriate and giving a specific indication thereof in the meeting notice, that both ordinary and extraordinary meetings may be held further to one single call.</p>	<p>11.3 Shareholders shall be called by a notice published in accordance with terms and provisions of the applicable law.</p> <p>11.4 Ordinary and extraordinary meetings are normally held further to one single call. However, the Board of Directors may decide, if it so deems appropriate and giving a specific indication thereof in the meeting notice, that both ordinary and extraordinary meetings may be held further to more than one call.</p>

Article 15

CURRENT TEXT	PROPOSED TEXT
<p>15.3 Resolutions of the ordinary and extraordinary Shareholders' Meetings are passed on first, second or third call, or in single call, with the respective quorums required by law, except for the appointment of administrative and control bodies, to which Articles 16.3 and 27.2 apply.</p>	<p>"Resolutions, both in ordinary and in extraordinary shareholders' meetings, are passed with the respective quorums required by law, except for the appointment of administrative and control bodies, to which articles 16.3 and 27.2 shall apply".</p>

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Board of Directors

Article 16

CURRENT TEXT	PROPOSED TEXT
<p><i>(Omissis)</i></p> <p>16.3 Directors are appointed by the ordinary Shareholders' Meeting on the basis of slates</p>	<p><i>(Omissis)</i></p> <p>16.3 Directors are appointed by the ordinary Shareholders' Meeting on the basis of slates</p>

<p>presented by the Shareholders, where the candidates shall be slated with a progressive ranking.</p> <p>The slates submitted by shareholders shall be filed at the registered office of the company and made available to the public in accordance with the terms and procedures set out by the applicable law.</p> <p>Each slate shall include two candidates who satisfy the independence requirements stated by law, expressly identified, and one of whom shall be the first name on the slate. If the aforesaid requirements are not fulfilled, the slate shall be considered as not submitted.</p> <p>Each Shareholder may submit or concur to submit one slate only, and may only vote for one slate.</p> <p>Any shareholders belonging to the same group or being parties to a shareholders' agreement concerning shares of the Company shall not submit or vote for more than one slate, even by proxy or through trust companies.</p> <p><i>(Omissis)</i></p> <p>The directors shall be appointed as follows:</p> <p>a) two thirds of the directors to be appointed shall be drawn from the slate that obtained the majority of votes expressed by those entitled to vote (any fraction being rounded down to the nearest whole number), in their slated order of ranking;</p> <p>b) the remaining directors shall be drawn from the other slates; for such purpose, the votes obtained by such slates shall be divided successively by one, two, or three, depending on the order of ranking of the directors to be appointed. The ratios thus obtained shall be progressively allotted to the candidates of each section of such slates, according to the order respectively indicated by the same slates. The ratios thus allotted to the candidates of the various slates shall then be ranked in single decreasing order. The candidates with the highest ratios will be appointed.</p> <p>If more than one candidate receives the same ratio, the candidate of the slate without any elected director yet, or with the lowest number of elected</p>	<p>presented by the Shareholders, where the candidates shall be slated with a progressive ranking.</p> <p>The slates submitted by shareholders shall be filed at the registered office of the company and made available to the public in accordance with the terms and procedures set out by the applicable law.</p> <p>Each slate shall include two candidates who satisfy the independence requirements stated by law, expressly identified, and one of whom shall be the first name on the slate. Slates with three or more candidates shall also include candidates different genders, as set forth in the notice convening the shareholders' meeting, to make sure the composition of the Board of Directors complies with the provisions of the applicable law on gender balance. If the aforesaid requirements are not fulfilled, the slate shall be considered as not submitted.</p> <p>Each Shareholder may submit or concur to submit one slate only, and may only vote for one slate.</p> <p><i>(Omissis)</i></p> <p>The directors shall be appointed as follows:</p> <p>a) two thirds of the directors to be appointed shall be drawn from the slate that obtained the majority of votes expressed by those entitled to vote (any fraction being rounded down to the nearest whole number), in their slated order of ranking;</p> <p>b) the remaining directors shall be drawn from the other slates; for such purpose, the votes obtained by such slates shall be divided successively by one, two, or three, depending on the order of ranking of the directors to be appointed. The ratios thus obtained shall be progressively assigned to the candidates of each section of such slates, according to the order respectively indicated by the same slates. The ratios thus allotted to the candidates of the various slates shall then be ranked in single decreasing order. The candidates with the highest ratios will be appointed.</p> <p>If more than one candidate receives the same ratio, the candidate of the slate without any elected director yet, or with the lowest number of elected</p>
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<p>directors shall be appointed.</p> <p>If none of such slates has an elected director, or all of them have the same number of elected directors, the candidate on the slate that obtained the highest number of votes will be appointed. In the event of tied slate votes, and always provided that the ratio is equal, a new vote shall be taken by the whole Meeting, and the candidate shall be appointed by a simple majority of votes.</p>	<p>directors shall be appointed.</p> <p>If none of such slates has an elected director, or all of them have the same number of elected directors, the candidate on the slate that obtained the highest number of votes will be appointed. In the event of tied slate votes, and always provided that the ratio is equal, a new vote shall be taken by the whole Meeting, and the candidate shall be appointed by a simple majority of votes.</p> <p>c) if, following application of the procedure set forth above, the minimum number of independent directors provided by applicable law is not appointed, the number of votes obtained by each slate is divided by the progressive order of ranking of each of the aforesaid candidates to calculate the ratio of votes to allot each candidate drawn from the slates presented; without prejudice to compliance with the applicable law relating to gender balance, the elected candidates who do not satisfy the independence requirements with the lowest ratio amongst the candidates are replaced – starting from the one with the lowest ratio – by any independent candidates that may be included on the same slate as the candidate being replaced (following the progressive order of ranking in which they are slated). If that slate does not include other candidates who satisfy the independence requirements, the shareholders’ meeting shall proceed to the replacement as above by the legal majority, according to the provisions set forth in article 16.4 below, in keeping with the principle of proportionate representation of minorities on the board of directors. If candidates on different slates obtain the same ratio, the following procedure is used to identify which candidate to replace: (i) the candidate drawn from the slate that obtained the most votes is replaced, or (ii), if the mechanism set forth in point (i) is not applicable, the candidate drawn from the slate that obtained the least votes is replaced or (iii), if the mechanism set forth in point (ii) is not applicable as well, the candidate that obtained the least votes of shareholders casting a specific vote for this, is replaced. Once the candidate to replace is identified, the replacement is made according to the criteria set forth in the first and second paragraph of this letter c).</p> <p>c-bis) if, following application of the procedure set forth in letters a) and b), the gender balance requirements are not met according to the applicable law, the number of votes obtained by each slate is divided by the order of ranking of each of the aforesaid candidates to calculate the ratio of</p>
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<p>16.4 If only one slate is submitted, or if no slate is submitted, the shareholders' meeting shall pass resolution with the majority required by law, without following the procedure indicated above.</p> <p>16.5 If one or more directors leave office during a financial year, on condition that the majority is always formed of directors appointed by the shareholders' meeting, the provisions of Article 2386 of the Italian Civil Code shall apply, as set forth herein:</p> <p>a) the Board of Directors shall appoint the replacements from the same slate to which the outgoing directors belonged, choosing, where necessary, the replacement who satisfies the independence requirements under law, and the shareholders' meeting shall resolve with the</p>	<p>votes to allot each candidate drawn from the slates presented; the elected candidates of the more represented gender with the lowest ratio of elected candidates is replaced by the candidate of the less represented gender indicated (with the highest order of ranking) on the same slate as the replaced candidate, without prejudice to compliance with the minimum number of directors who satisfy the independence requirements stated by law.</p> <p>If that slate does not include other candidates of the less represented gender, the replacement as above is made by the shareholders' meeting with the legal majority according to the provisions set forth in article 16.4 below, in keeping with the principle of proportionate representation of minorities on the board of directors.</p> <p>If candidates on different slates obtain the same ratio, the following procedure is used to identify which candidate to replace: (i) the candidate drawn from the slate that obtained the most votes is replaced, or (ii), if the mechanism set forth in point (i) is not applicable, the candidate drawn from the slate that obtained the least votes is replaced or (iii), if the mechanism set forth in point (ii) is not applicable as well, the candidate that obtained the least votes of shareholders casting a specific vote for this, is replaced. Once the candidate to replace is identified, the replacement is made according to the criteria set forth in the first and second paragraph of this letter c-bis).</p> <p>16.4 If only one slate is submitted, or if no slate is submitted, the shareholders' meeting shall pass resolution with the majority required by law and without following the procedure indicated above, but in any case in such manner as to ensure the presence of the minimum number of independent directors as required by the applicable law, in addition to compliance with the applicable law on gender balance.</p> <p>16.5 If one or more directors leave office during a financial year, on condition that the majority is always formed of directors appointed by the shareholders' meeting, the provisions of Article 2386 of the Italian Civil Code shall apply, as set forth herein:</p> <p>a) the Board of Directors shall appoint the replacements from the same slate, to which the outgoing directors belonged, choosing, where necessary, the replacement who satisfies the independence requirements under law, as well as in</p>
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<p>majorities indicated by the law, in compliance with the same principle.</p> <p>b) if there are no candidates on the same slate who (i) have not been elected already, or (ii) who satisfy the independence requirements required by law, the board of directors will replace them, without applying point a) above. The shareholders' meeting shall resolve, with the majorities indicated by the law, in compliance with the principles of composition of the board established by law.</p> <p><i>(Omissis)</i></p> <p>16.7 If, again pursuant to article 16.4 above, the board has been elected without any slate being submitted and one or more directors leave office during the financial year, on condition that the majority is always formed of directors appointed by the shareholders' meeting, the provisions of Article 2386 of the Italian Civil Code shall apply, in any case ensuring, where necessary, compliance with the principles of composition of the board established by law.</p> <p><i>(Omissis)</i></p>	<p>compliance with the applicable law on gender balance; the shareholders' meeting shall resolve with the majorities indicated by the law, in compliance with those same principles.</p> <p>b) if there are no candidates on the same slate who (i) have not been elected already, or (ii) who satisfy the independence requirements required by law, the board of directors will replace them, without applying point a) above and in any case in such manner as to ensure compliance with the applicable law on gender balance. The shareholders' meeting shall resolve, with the majorities indicated by the law, in compliance with the principles of composition of the board established by the applicable law, also on gender balance.</p> <p><i>(Omissis)</i></p> <p>16.7 If, again pursuant to article 16.4 above, the board has been elected without any slate being submitted and one or more directors leave office during the financial year, on condition that the majority is always formed of directors appointed by the shareholders' meeting, the provisions of Article 2386 of the Italian Civil Code shall apply, in any case ensuring, where necessary, compliance with the principles of composition of the board established by the provisions of the applicable law, also on gender balance.</p> <p><i>(Omissis)</i></p>
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Board of Statutory Auditors

Article 27

CURRENT TEXT	PROPOSED TEXT
<p>27.1 The shareholders' meeting shall appoint the board of statutory auditors composed of three statutory auditors and shall determine their remuneration. The shareholders' meeting shall also</p>	<p>27.1 The shareholders' meeting shall appoint the board of statutory auditors composed of three statutory auditors and shall determine their remuneration. The shareholders' meeting shall also</p>

<p>appoint two alternate auditors.</p> <p>The members of the board of statutory auditors are chosen from individuals who satisfy the professional and integrity requirements indicated in the Ministry of Justice Decree no. 162 of 30 March 2000. For the purposes of the provisions of Article 1, subsection 2, letters b) and c) of such Decree, commercial and tax law, company economics and company finance are considered strictly pertaining to the company's business.</p> <p>Taking into account the laws on ineligibility, candidates who exceed the limits to the number of offices held pursuant to the applicable laws and regulations shall not be appointed as auditors.</p> <p>27.2 Statutory and alternate auditors are appointed by the ordinary Shareholders' Meeting on the basis of slates presented by the Shareholders, where the candidates shall be slated with a progressive ranking. The slates shall indicate the names of one or more candidates, which in any case shall not exceed the number of members to be elected.</p> <p>The slates are divided into two sections: one for candidates to the office of statutory auditor and the other for candidates to the office of alternate auditor. The first ranked candidate in each section must be entered in the Register of Auditors of accounts and must have practised as a statutory auditor of accounts for no less than three years.</p> <p>The slates submitted by shareholders shall be filed at the registered office of the company and made available to the public in accordance with the terms and procedures set out by the applicable law.</p> <p>Each Shareholder may submit or concur to submit one slate only, and may only vote for one slate.</p> <p>Any shareholders belonging to the same group or being parties to a shareholders' agreement concerning shares of the Company shall not submit or vote for more than one slate, even by proxy or through trust companies.</p> <p>Each candidate can be nominated in one slate only, on pain of being declared ineligible.</p> <p>Slates may be submitted only by Shareholders who, on their own or together with other shareholders, own the shareholding indicated in compliance with the provisions of the CONSOB regulation or, in the absence thereof, they must represent at least 2.5%</p>	<p>appoint three alternate auditors.</p> <p>The members of the board of statutory auditors are chosen from individuals who satisfy the professional and integrity requirements indicated in the Ministry of Justice Decree no. 162 of 30 March 2000. For the purposes of the provisions of Article 1, subsection 2, letters b) and c) of such Decree, commercial and tax law, company economics and company finance are considered strictly pertaining to the company's business.</p> <p>Taking into account the laws on ineligibility, candidates who exceed the limits to the number of offices held pursuant to the applicable laws and regulations shall not be appointed as auditors.</p> <p>27.2 Statutory and alternate auditors are appointed by the ordinary shareholders' meeting on the basis of slates presented by the shareholders, where the candidates shall be slated with a progressive ranking. The slates shall indicate the names of one or more candidates, which in any case shall not exceed the number of members to be elected.</p> <p>The slates are divided into two sections: one for candidates to the office of statutory auditor and the other for candidates to the office of alternate auditor. The first of the candidates in each section must be entered in the Register of Statutory Auditors and must have exercised statutory auditing activities for no less than three years.</p> <p>Taking into account both sections, slates with three or more candidates shall include different genders, both for the first two names in the section of the slate relating to regular statutory auditors and the first two names in the section of the slate relating to alternate auditors.</p> <p>The slates submitted by shareholders shall be filed at the registered office of the company and made available to the public in accordance with the terms and procedures set out by the applicable law.</p> <p>Each shareholder may submit or concur to submit one slate only, and may only vote for one slate.</p> <p>Any shareholders belonging to the same group or being parties to a shareholders' agreement concerning shares of the Company shall not submit or vote for more than one slate, even by proxy or through trust companies.</p> <p>Each candidate can be nominated in one slate only, on pain of being declared ineligible.</p> <p>Slates may be submitted only by shareholders who, on their own or together with other shareholders, own the shareholding indicated in compliance with the provisions of the CONSOB regulation or, in the absence thereof, they must represent at least 2.5%</p>
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<p>of shares with voting rights at the ordinary shareholders' meeting. In order to prove ownership of the number of shares required to submit the slates, the shareholders shall file at the registered office of the company the specific certificate proving ownership of the number of shares represented, within the deadlines indicated by the applicable law. Statements shall be filed together with each slate, without prejudice to the provisions of the applicable laws, whereby the single candidates accept their nomination and certify, under their own responsibility, that no reasons for ineligibility and incompatibility exist and that they meet the requirements set out by the applicable laws and by these By-laws.</p> <p>Two statutory auditors and one alternate auditor shall be drawn from the slate that has obtained the majority of votes, in the progressive order in which they appear in the relevant sections of the same slate. The remaining statutory auditor and the remaining alternate auditor shall be appointed according to the procedures set forth in article 16.3, letter b), to apply to each of the sections in which the other slates are divided and in any case in compliance with the provisions and regulations in force.</p> <p>In the event that (i) only one slate is submitted, or (ii) no slate is submitted, or (iii) to fill a vacancy on the board of statutory auditors and not to renew the entire board, the shareholders' meeting shall pass resolution on a legal majority basis, without following the procedure indicated above, but in any case in such a way as to ensure that the board of statutory auditors is formed as specified in Article 1, subsection 1 of the Decree of the Ministry of Justice no. 162 of 30 March 2000. To replace one of the auditors drawn from the slate that obtained the most votes, the alternate auditor drawn from the same list is appointed; to replace an auditor drawn from other slates, the alternate auditor elected under the terms and conditions The shareholders' meeting pursuant to article 2401, subsection 1 of the Italian Civil Code shall replace the auditors in accordance with the principle of mandatory representation of minorities.</p>	<p>of shares with voting rights at the ordinary shareholders' meeting. In order to prove ownership of the number of shares required to submit the slates, the shareholders shall file at the registered office of the company the specific certificate proving ownership of the number of shares represented, within the deadlines indicated by the applicable law. Statements shall be filed together with each slate, without prejudice to the provisions of the applicable laws, whereby the single candidates accept their nomination and certify, under their own responsibility, that no reasons for ineligibility and incompatibility exist and that they meet the requirements set out by the applicable laws and by these By-laws.</p> <p>Two statutory auditors and two alternate auditors shall be drawn from the slate that has obtained the majority of votes, in the progressive order in which they appear in the relevant sections of the same slate. The remaining statutory auditor and the remaining alternate auditor shall be appointed according to the procedures set forth in article 16.3, letter b), to apply to each of the sections in which the other slates are divided and in any case in compliance with the provisions and regulations in force.</p> <p>In the event that (i) only one slate is submitted, or (ii) no slate is submitted, or (iii) to fill a vacancy on the board of statutory auditors and not to renew the entire board, the shareholders' meeting shall pass resolution on a legal majority basis, without following the procedure indicated above, but in any case in such a way as to ensure that the board of statutory auditors is formed as specified in Article 1, subsection 1 of the Decree of the Ministry of Justice no. 162 of 30 March 2000 and by the applicable law on gender balance.</p> <p>To replace one of the auditors drawn from the slate that obtained the most votes, the first alternate auditor drawn from the same list will be appointed. If the above replacement made pursuant to the aforesaid procedure does not enable the forming of a board of statutory auditors compliant with the applicable law on gender balance, the second alternate auditor drawn from the same slate will be appointed.</p> <p>To replace an auditor drawn from other slates, the alternate auditor elected under the terms and conditions If the procedure used to replace auditors who leave before the end of their term of office with alternate auditors as described above does not ensure compliance with the applicable law on</p>
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<p>The chairperson of the board of statutory auditors is appointed by the shareholders' meeting and is the statutory auditor elected by the minority, unless only one slate or no slates have been submitted, in which case, the chairperson of the board of statutory auditors shall be appointed by the shareholders' meeting on a legal majority basis.</p> <p>(Omission)</p>	<p>gender balance, the Shareholders' Meeting shall be convened as soon as possible in order to ensure compliance with the aforesaid law.</p> <p>In any case, the Shareholders' Meeting pursuant to article 2401, subsection 1 of the Italian Civil Code shall replace the auditors in accordance with the principle of mandatory representation of minorities and in such manner as to ensure compliance with the applicable law on gender balance.</p> <p>The chairperson of the board of statutory auditors is appointed by the shareholders' meeting and is the statutory auditor elected by the minority, unless only one slate or no slates have been submitted, in which case, the chairperson of the board of statutory auditors shall be appointed by the shareholders' meeting on a legal majority basis.</p> <p>(Omission)</p>
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Transitional Clause

New Article 33

PROPOSED TEXT
<p>The provisions of articles 16.3, 16.4, 16.5, 16.7 and 27.2 aimed at ensuring compliance with the applicable law on gender balance shall be applied for the first three appointments of the new Board of Directors and Board of Auditors, after the entry into force and the effectiveness of the provisions of article 1 of Law no. 120 of 12 July 2011, published in the Official Gazette no. 174 of 28 July 2011.</p>

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Please note that the amendments to the By-laws proposed above do not entitle Shareholders who do not vote to approve them to withdraw, since they do not provide any of the grounds for the cases of withdrawal set forth in article 2437 of the Italian Civil Code.

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Given all the above, we submit for the approval of the shareholders' meeting of Ansaldo STS S.p.A., the following resolution:

"The extraordinary session of the Shareholders' Meeting of Ansaldo STS S.p.A., having examined the Board of Directors' explanatory report,

resolves

- *to amend articles 11.3, 11.4, 15.3, 16.3, 16.4, 16.5, 16.7, 27.1 and 27.2 of the company's by-laws, using the wording in the right column of the table with the text side by side, contained in the explanatory report prepared by the Board of Directors pursuant to article 72 of the CONSOB resolution no. 11971 of 14 May 1999;*

- *to introduce the new article 33 to the company's by-laws, using the wording contained in the explanatory report prepared by the Board of Directors pursuant to article 72 of the CONSOB resolution no. 11971 of 14 May 1999;*
- *to empower the Chairperson of the Board of Directors and the Chief Executive Officer, also separately and if applicable through special powers of attorney, to address all requirements and formalities that may be connected with or consequent to this resolution and with bringing to this latter any changes as may be necessary for the purposes of its registration in the Business Register”.*

Rome, 25 March 2013

For the Board of Directors

The Chairman

(Alessandro Pansa)