



ANSALDO STS S.P.A.  
REGISTERED OFFICE IN GENOA, VIA PAOLO MANTOVANI 3 - 5  
SHARE CAPITAL EURO 90,000,000.00 FULLY SUBSCRIBED AND PAID IN  
REGISTRATION NUMBER IN THE GENOA COMPANY'S REGISTER AND TAX CODE 01371160662  
SUBJECT TO MANAGEMENT AND COORDINATION BY FINMECCANICA S.P.A.

## **Ordinary General Meeting**

**April 15, 2014**

*Report of the Board of Directors*

*drafted pursuant to art. 125-ter of Legislative Decree of February 24, 1998 no. 58 on the*

### **second item on the agenda:**

#### ***"2. Remuneration.***

***2.1. Report on remuneration pursuant to art. 123-ter, para. 6, of Legislative Decree no. 58/98.  
Related and consequent resolutions***

***2.2 Remuneration of executive directors pursuant to article 23-bis of Decree Law no. 201/2011.  
Related and consequent resolutions"***

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Dear Shareholders,

in relation to the second item on the agenda, you are called upon to vote on the following (as described more fully in this Report ): (i) the report on remuneration drafted pursuant to art. 123-*bis* of Legislative Decree no. 58/98, and (ii) the remuneration of the executive directors pursuant to art. 23-*bis* of Decree Law no. 201/2011.

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2.1. Report on remuneration pursuant to art. 123-ter, para. 6, of Legislative Decree no. 58/98.  
Related and consequent resolutions

Pursuant to art. 123-*ter* of Legislative Decree no. 58/98, issuing companies are required to make available to the public a "report on remuneration", divided into two sections.

In particular, pursuant to paragraph 3 of the aforementioned art. 123-*ter*, the report in its first section describes: (a) the company's policy relating to the remunerations of the members of the administrative bodies, general managers and managers with strategic responsibilities with reference to the next financial year and (b) the procedures used to adopt and implement this policy.

The second section of the report, provided for by para. 4 of the aforementioned art. 123-ter, on the other hand provides - naming the members of the administrative and supervisory bodies, the general managers and, in aggregate form, the managers with strategic responsibilities - (a) an adequate representation of each of the remuneration items, (b) an analytical description of the remunerations paid during the reference year, on any basis whatsoever and in any form, by the Company and by its subsidiaries or associated companies, also highlighting the payments to be made in one or more subsequent years based on the activities carried out in the reference year.

The aforementioned report was approved by the Board of Directors of the Company on March 7, 2014, subject to the approval of the Nomination and Remuneration Committee, and has been made available to the public at its headquarters, and on the Company website <http://www.ansaldo-sts.com/it/governance/assemblea-azionisti/assemblea-azionisti-2014> as well as in other ways under the terms of applicable laws.

Pursuant to art. 123-ter, para. 6, of Legislative Decree no. 58/98, you are called upon to resolve in favour or against the first section of the report on remuneration, as provided for by para. 3 of said art. 123-ter, which describes the Company's policy as to the remuneration of the members of the administrative bodies, the general managers and the managers with strategic responsibilities, as well as the procedures applied to adopt and implement this policy.

In any case it should be noted that, pursuant to the aforementioned art. 123-ter, para. 6, of Legislative Decree no. 58/98, the resolution you are required to adopt will not be binding.

In light of the foregoing, we table the following resolution for your approval:

*“The Ordinary General Meeting of Shareholders of Ansaldo STS S.p.A.,*

*- having examined and discussed the section of the report on remuneration envisaged by art. 123-ter, para. 3, of Legislative Decree no. 58/98, approved by the Board of Directors on the proposal of the Nomination and Remuneration Committee, containing a description of the Company's policy on the remuneration of the members of the administrative bodies, the general managers and the managers with strategic responsibilities, as well as the procedures used to adopt and implement this policy, duly made available to the public in ways and at times as set out by applicable laws;*

*- having considered that the aforementioned section of the report on remuneration and the policy described therein are in conformity with the regulatory provisions applicable to the emoluments of the members of the board of directors, the general managers and the managers with strategic responsibilities*

*resolves*

*in favour of the first section of the remuneration report referred to in the aforementioned art. 123-ter, para. 3, of Legislative Decree no. 58/98, approved by the Board of Directors on March 7, 2014, and containing a description of the Company's policy on the remunerations of the members of the administrative bodies, the general managers and the managers with strategic responsibilities, as well as the procedures used to adopt and implement this policy”.*

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2.2. Remuneration of executive directors pursuant to article 23-bis of Decree Law no. 201/2011. Related and consequent resolutions

Art. 84-ter of Decree Law of June 21, 2013, no. 69 - converted into Law of August 9, 2013, no. 98 - introduced a number of provisions into art. 23-bis of the Decree Law of December 6, 2011, no. 201 (converted into Law of December 22, 2011, no. 214) relating to the payment of executive directors of listed companies controlled by public authorities, for the purposes of control (also indirect) of public spending.

In particular, art. 23-bis, para. 5-*quater* of the Decree Law no. 201/2011 - as introduced by the Decree Law no. 69/2013 - provides that in companies that are directly or indirectly controlled by the public authorities referred to in art. 1, para. 2, of Legislative Decree of March 30, 2001, no. 165, which issue exclusively financial instruments other than shares, listed on regulated markets and also in the companies controlled by these companies, the payment referred to in art. 2389 para. 3 of the Civil Code and applicable to the Executive Director and Chairman of the Board of Directors cannot exceed 75% of the total remunerations, determined on any basis whatsoever, including emoluments received under employment contracts with the same company, during the term of office prior to its renewal.

Associated with the provisions of para. 5-*quater* above, para. 5-*quinquies* provides that in companies directly or indirectly controlled by the public authorities referred to in art. 1, para. 2, of Legislative Decree of March 30, 2001, no. 165, which issue equity stock listed on regulated markets, in cases where the administrative bodies are to be reappointed, a proposal relating to the remuneration of the executive directors of these companies and their subsidiaries should be submitted for the approval of the general meeting of shareholders, following the criteria specified in para. 5-*quater*.

The provisions of para. 5-*quinquies* apply to Ansaldo STS S.p.A., being a company that issues listed shares and is indirectly controlled by the Ministry of Economy and Finance.

Pursuant to the new para. 5-*sexies* of art. 23-bis, the aforementioned obligation applies once only i.e. only to the first renewal of the office of boards of directors subsequent to the date of entry into force of Decree Law no. 69/2013 [i.e. after August 21, 2013].

In light of the foregoing, it should be noted that - at the General Meeting scheduled for April 15, 2014 - the term of office will expire of the current Board of Directors, appointed by the General Meeting of Shareholders on April 5, 2011. The General Meeting scheduled for April 15, 2014 will therefore be called to appoint the new members of the Board of Directors, from whose members said Board may appoint one or more executive directors pursuant to art. 2381, para. 2 of the Civil Code and art. 24.1 of the company's Articles of Association.

The proposal for the reduction of remunerations to be submitted for your approval, pursuant to para. 5-*quinquies* of art. 23-bis, will therefore relate to the reduction in the amounts that may be paid pursuant to art. 2389, para. 3 of the Civil Code. More precisely, the reduction will relate to the remuneration of the executive directors - as being "*invested with special functions*"- determined by the Board of Directors after consulting the Board of Statutory Auditors. This payment, pursuant to the provisions reminded, must be reduced by 25% of the total remunerations determined on any basis whatsoever - including under employment contracts with the same company - that are enjoyed by the executive directors during their term of office prior to renewal.

To this end, please note that, following the appointment of the current Board of Directors by the General Meeting of April 5, 2011, Mr. Sergio De Luca was appointed as Executive Director. As you know, he has resigned his office as Executive Director with effect from January 1, 2014.

Consequently, the Board of Directors has appointed Mr. Stefano Siragusa as the new Executive Director, with effect from January 1, 2014.

In determining the remuneration of Mr. Siragusa, the Board of Directors - also on the proposal of the Nomination and Remuneration Committee - has deemed it appropriate to comply in advance with the principles provided for by the aforementioned provisions of art. 23-bis of Decree Law no. 201/2011, ensuring that the remuneration paid to the said Mr. Siragusa was 25% lower than the total remuneration received on any basis whatsoever by the previous Executive Director, Mr. De Luca.

By reason of the foregoing, it should be noted that the proposal drawn up below - relating to the reduction of the remuneration of executive directors of the Company pursuant to para. 5-quinquies of art. 23-bis of Decree Law no. 201/2011 - will use as its basis of reference for the calculation of the reduction *"the total remuneration determined on any basis whatsoever - including under employment contracts with the same company - during the term of office prior to renewal"* i.e. the term of office of the previous Executive Director, Mr. De Luca, and not that of the current Executive Director, Mr. Siragusa, which has already been determined by applying in advance the one-off reduction envisaged by the aforementioned provisions.

In light of the foregoing, we submit the following resolution for your approval:

*"The Ordinary General Meeting of Shareholders of Ansaldo STS S.p.A.,*

- *in accordance with the provisions of art. 23-bis, para. 5-quinquies of the Decree Law no. 201/2011, as amended by the Decree Law no. 69/2013, as converted into Law n. 98/2013;*
- *having examined and discussed the proposal of the Board of Directors to determine that, in the occasion of current reappointment pursuant to the aforementioned disposition, the remuneration of the executive directors of the Company pursuant to art. 2389, para. 3, should be reduced by 25% of the total remuneration determined on any basis whatsoever, including under employment contracts with the same company, during the term of office prior to renewal;*
- *having considered that - for the reasons specified by the Board of Directors in its Report, drawn up pursuant to art. 125-ter of Legislative Decree no. 58/98, in relation to para. 2.2 of the second item on the agenda of the General Meeting called for April 15, 2014 - the phrase "total remuneration determined on any basis whatsoever, including under employment contracts with the same company, during the term of office prior to renewal" shall refer to the term of office of the previous Executive Director, Mr. De Luca,*

*resolves*

*in favour of the aforementioned proposal of the Board of Directors."*

Genoa, March 7, 2014

For the Board of Directors

The Chairman

(Sergio De Luca)