



ANSALDO STS S.p.A.
REGISTERED OFFICE IN VIA PAOLO MANTOVANI 3-5
SHARE CAPITAL EUR 100,000,000.00 FULLY SUBSCRIBED AND PAID IN
REGISTRATION NUMBER IN THE COMPANIES REGISTRY OF GENOA AND FISCAL CODE 01371160662
SUBJECT TO THE MANAGEMENT AND COORDINATION OF FINMECCANICA S.P.A.

Ordinary General Meeting

23 April 2015

Report of the Board of Directors

drafted pursuant to Article 125-ter of Legislative Decree No. 58 of 24 February 1998 on

the third item on the agenda:

“3. Appointment of a member of the Board of Directors pursuant to Article 2386 of the Italian Civil Code. Related and consequent resolutions”

Dear Shareholders,

as you are aware, on 31 July 2014, Mr Luigi Calabria tendered his resignation from the office of Deputy Chairman and non-executive member of the Board of Directors of Ansaldo STS S.p.A., with effect from of 1 October 2014, i.e. from the date of the Board of Directors’ meeting, which co-opted a new Director to replace him.

The resignation was tendered as a result of a new role taken by Mr Calabria in another company outside the Finmeccanica Group.

Mr Calabria was elected by the ordinary General Meeting of Ansaldo STS of 15 April 2014 from among – not independent – candidates included on the list submitted by majority Shareholder Finmeccanica S.p.A., and was appointed as Deputy Chairman of the Company by the Board of Directors in the meeting held on that date.

Article 16.5, paragraph 1, point a) of the Company’s Articles of Association provides that if during a financial year, one or more directors cease serving, provided that the majority is constituted by directors appointed by the General Meeting, the procedure under Article 2386 of the Italian Civil Code shall be followed and the Board of Directors shall appoint a substitute *“from the same list, to which the outgoing directors belonged, choosing, where necessary, the replacement who satisfies the independence requirements under law, as well as in 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”*.

The following point b) of Article 16.5, Paragraph 1 of the Articles of Association of the company specifies that *“if there are no candidates on the same list 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”*.

After the resignation of Mr Calabria, there were no other suitable candidates on the list submitted by the Shareholder Finmeccanica S.p.A. Accordingly, pursuant to Article 16.5, Paragraph 1, point b) of the Articles of Association, on 1 October 2014, the Board of Directors replaced the outgoing Director, in accordance with Article 2386 of the Italian Civil Code, by co-opting Mr Domenico Braccialarghe as member of the Board of Directors and also appointed him as Deputy Chairman of the Company.

Pursuant to Article 2386, Paragraph 1 of the Italian Civil Code, the office of this director ends at the General Meeting called for 23 April 2015. Such meeting will therefore be requested to appoint a new member of the Board of Directors.

Accordingly, the ordinary General Meeting shall appoint the new Director of Ansaldo STS 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, based on any proposals and candidacies that may be put forward by the Shareholders, also during the General Meeting.

Please note that, in the comment to Clause 5, the Corporate Governance Code recommends that procedures to ensure transparency of the proceedings and balanced composition of the board of directors are provided for in the appointment of directors.

On the basis of the above, any Shareholders that wish to submit proposals for candidacy are requested to attach the candidates' CV to the appointment proposal, together with a copy of the statements made by the latter attesting: (i) that they are willing to accept the office; (ii) that there are no causes for ineligibility or incompatibility and that the requirements provided by the applicable legislation and the Articles of Association of the company are satisfied, and, as the case may be, (iii) that the requirements of independence provided by the law and by other applicable provisions are satisfied. Please note with specific regard to this last point, that Mr Braccialarghe does not satisfy the above requirements of independence and that the majority of the Board of Directors currently in office is composed of independent Directors, and is therefore already in compliance with the law. Furthermore, the composition of the Board of Directors currently in office already ensures compliance with the applicable law on gender balance.

Please note that the Director appointed by the General Meeting of 23 April 2015 will be in office for the duration of the current Board of Directors, and accordingly until the date of the General Meeting called to approve the financial statements relating to the financial year which ends as of 31 December 2016, and that he/she will be entitled to the *pro rata temporis* remuneration that was determined by the General Meeting on 15 April 2014.

Furthermore, the Shareholders are reminded that the list voting procedure does not apply to this appointment, since it is merely an addition to the Board of Directors already in office. Accordingly, the appointment shall be made in accordance with Section 16.5 of the Company's Articles of Association, with the majorities as provided by law.

Finally, please note that, in accordance with the recommendations contained in the Corporate Governance Code, the Company's Board of Director has expressed its view on the maximum number of offices of director or auditor that the members of Ansaldo STS's Board of Directors may hold in other companies that are listed in regulated markets (in Italy or abroad), in financial, banking, insurance companies or in companies of relevant dimensions in order to ensure that they effectively perform their duties as Directors of the Company. This view is available on the Company's website at the address www.ansaldo-sts.com, in the "Governance" Section.

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Considering the above – based on the proposals which may be made by the Shareholders, including those raised during the General Meeting – the General Meeting is requested to appoint a new member of the Board of Directors of Ansaldo STS S.p.A., who will be in office until the General Meeting called to approve the financial statements relating to financial year 2016.

Genoa, 6 March 2015

For the Board of Directors

The Chairman

(Sergio De Luca)