

**REPORT OF THE  
BOARD OF DIRECTORS  
ON REMUNERATION**

**(PREPARED PURSUANT TO ARTICLES 123-TER OF THE CONSOLIDATION ACT ON FINANCE [TUF]  
AND 84-QUARTER OF THE ISSUERS REGULATION)**

**22 APRIL 2016**

## GLOSSARY

<b>Ansaldo STS</b>	Ansaldo STS S.p.A.
<b>Corporate Governance Code, or Code</b>	The Corporate Governance Code for listed companies, as last updated in July 2015 by the Corporate Governance Committee and established by Borsa Italiana S.p.A., ABI (the Italian Banking Association), Ania, Assonime, Confindustria and Assogestioni.
<b>Nomination and Remuneration Committee, or Committee</b>	The Nomination and Remuneration Committee established by Ansaldo STS pursuant to the Code.
<b>Board</b>	The Board of Directors of Ansaldo STS
<b>Managers with Strategic Responsibilities</b>	The managers indicated by Article 65, paragraph 1- <i>quater</i> , of the Issuers Regulation, as identified by the Board of Directors.
<b>Group</b>	Ansaldo STS and its subsidiaries pursuant to Articles 93 of the Consolidation Act on Finance (TUF)
<b>Market Regulations Instructions</b>	The Instructions accompanying the Market Regulations organized and managed by Borsa Italiana S.p.A.
<b>Remuneration Policy, or Policy</b>	The Remuneration Policy for financial year 2016, approved by the Board of Directors and described in Section 1 of this Report.
<b>Committee Rules</b>	The Rules of the Nomination and Remuneration Committee.
<b>Issuers Regulation</b>	The Regulation issued by Consob by resolution no. 11971 of 14 May 1999 concerning issuers, as subsequently amended and supplemented.
<b>Report</b>	This remuneration report, prepared pursuant to articles 123- <i>ter</i> of the Consolidation Act on Finance (TUF) and 84- <i>quater</i> of the Issuers Regulation, approved by Ansaldo STS' Board of Directors on 25 February 2016 and subsequently updated.
<b>Company</b>	Ansaldo STS S.p.A.
<b>TUF</b>	The Italian Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented.

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## SECTION I: REMUNERATION POLICY FOR THE YEAR 2016

### **a) Bodies or persons involved in preparing and approving the Remuneration Policy; with roles, bodies and persons in charge of correctly implementing such policy**

The Board of Directors approves the Remuneration Policy on an annual basis, on a proposal of the Nomination and Remuneration Committee (*see below, letter b*)).

The Remuneration Policy for the year 2016, as described in this section of the Report, is submitted for a non-binding resolution of the General Meeting, called pursuant to Article 2364 paragraph 2 of the Italian Civil Code.

The Bodies in charge of the correct implementation of the Policy are the Nomination and Remuneration Committee in the exercise of its duties as described below, as well as the Chief Executive Officer and the Board of Directors.

### **b) Action of the Nomination and Remuneration Committee, composition, tasks and operating procedures of this Committee**

The Nomination and Remuneration Committee, which submitted the Remuneration Policy proposal to the Board of Directors, is composed of a number of Directors set by the Board of Directors upon its appointment, all of whom are non-executive and independent as required by Article 37 of Consob Regulation No. 16191 of 2007, by the Corporate Governance Code and by the Committee Rules. At least one member of the Nomination and Remuneration Committee has adequate knowledge and experience in financial or remuneration policy, to be assessed by the Board of Directors at the time of the appointment.

The members of the Nomination and Remuneration Committee appointed by the Board of Directors on 10 November 2015 were the independent directors Giulio Gallazzi (Chairman), Bruno Pavesi and Alessandra Piccinino.

The Nomination and Remuneration Committee is assigned the following tasks, in connection with the Remuneration Policy:

- submit proposals to the Board of Directors on the remuneration policy for directors and managers having strategic responsibilities, if any;
- make periodical evaluations of the adequacy, overall consistency and actual implementation of the remuneration policy mentioned in the preceding item, making use of the information provided by the Chief Executive Officer as concerns managers with strategic responsibilities, and submit proposals on this matter to the Board of Directors, where appropriate;
- submit proposals or give opinions to the Board of Directors on the remuneration of executive directors and of any other directors holding particular offices as well as on the performance targets linked to the variable part of such remuneration, monitoring the implementation of the decisions taken by the same Board and verifying the actual achievement of the performance targets;
- evaluate the proposals of the Chief Executive Officer relevant to the general remuneration and incentive policy, as well as to the management development systems and plans, for the key resources of the Group and the directors vested with powers of the Group companies;
- assist the Company top management in defining the best policy for handling the managerial resources of the Group;

- propose share-based remuneration plans in favour of Directors and Managers of the Company and of the other Group companies and the relevant implementing regulations, carrying out the tasks reserved to it for the management of the plans adopted by the Company case by case;
- report to the Company's shareholders on the way in which it carries out its duties.

In the performance of its duties, the Committee shall ensure suitable functional and operational links with the relevant corporate structures.

The Committee reports to the Board of Directors at least every six months.

***c) Name of the independent experts, if any, involved in preparing the Remuneration Policy***

No independent experts have been involved in preparing the Remuneration Policy.

***d) Aims of the Remuneration Policy, underlying principles and changes in such policy, if any, from the year 2015***

The Company's Remuneration Policy aims to attract, retain and motivate managers with high professional skills, who are able to successfully manage the Company.

In particular, the remuneration of the Chief Executive Officer, the General Manager and the Managers with Strategic Responsibilities, aims to:

- align the interests of the said persons with the priority objective of creating shareholder value in a medium-long term perspective;
- create a strong connection between remuneration and performance, both individual and of the Group, by involving and incentivising said persons, insofar as their action is deemed to be essential to the achievement of the Company and Group targets;
- enhance the loyalty of the key resources, thus encouraging their permanence within the Company and the Group;
- convey the Company intent to share the expected increase in the Company's value with the top professionals of the Group.

For non-executive Directors, the Remuneration Policy takes into account the commitment required from each of them and their participation, if any, in one or more committees, and it is not linked to the economic performance of the Company (see paragraph *n*) below).

Compared to the Remuneration Policy for the financial year 2015, which was approved by the Board of Directors on 25 March 2015 and submitted to the non-binding resolution of the Shareholders on 23 April 2015, the Remuneration Policy for the financial year 2016 has remained substantially unchanged.

***e) Description of the policies on fixed and variable components of the remuneration, with particular regard to the indication of the relevant weight in the total remuneration, differentiating between short and medium-long term variable components***

With regard to the fixed component of the remuneration, the Corporate Governance Code recommends that such remuneration should be sufficient to compensate the services of the Chief Executive Officer, of the General Manager and of the Managers with Strategic Responsibilities in the event that no variable component is paid.

With regard to the variable component, the Corporate Governance Code recommends that the remuneration of the Chief Executive Officer, of the General Manager and of the Managers with Strategic Responsibilities should comply with the following criteria:

- the fixed and the variable component should be suitably balanced;
- maximum limits should be indicated for the variable components;
- the performance targets should be predefined, measurable and connected with the creation of shareholder value in a medium-long term perspective;
- a significant part of the variable component of the remuneration should be suitably postponed by an appropriate period, after accrual.

With specific regard to share-based remuneration plans, the Corporate Governance Code recommends:

- that shares, options and any other rights assigned to the directors, to the General Manager and Managers with Strategic Responsibilities to buy shares or be remunerated on the basis of the share price trends, should have an average vesting period of at least three years;
- that the vesting as per the preceding item should be subject to predefined, measurable performance targets;
- that the directors should keep part of the shares allocated or acquired through the exercise of such rights until the end of their term of office.

In line with the above, the Remuneration Policy states that the remuneration should consist of<sup>1</sup>:

- a fixed component consisting:
  - (i) for the Chief Executive Officer and General Manager:
    - of the fee approved by the ordinary General Meeting upon appointment for the office of member of the Board of Directors; and
    - of the fee approved by the Board of Directors on a proposal of the Nomination and Remuneration Committee, after hearing the opinion of the Board of Statutory Auditors, received as Chief Executive Officer; and
    - of the fee approved by the Board of Directors on a proposal of the Nomination and Remuneration Committee, for the office of General Manager;
  - (ii) for non-executive Directors, of the fee approved by the ordinary General Meeting upon appointment for the office of member of the Board of Directors; and
  - (iii) for Managers with Strategic Responsibilities, of the annual fixed gross remuneration under the individual contract signed by the Managers with Strategic Responsibilities, in compliance with the provisions of the applicable collective bargaining regulations;
- a variable component, both for the Chief Executive Officer and General Manager and for the Managers with Strategic Responsibilities consisting:
  - a) of a short-term variable incentive instrument, subject to the achievement of performance targets predefined on an annual basis (known as *Management by Objectives* or "**MBO**"), both of corporate nature (such as the *Earning Before Interests and Taxes* – EBIT, the *Free Operating Cash Flow* – FOCF and the *Economic Value Added* – EVA),

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<sup>1</sup> It must be pointed out that, in the event that the General Manager' role is assigned to a person other than the Chief Executive Officer, the Remuneration Policy described in this section of the Report concerning Managers with Strategic Responsibilities is also applicable to the General Manager.

and of individual nature, depending on the office held (such as the value of the orders acquired, the achievement of certain values of the sector-specific EBIT and the achievement of certain structural costs, or specific quantity-quality targets).

The MBO should be designed to provide for the maximum proportion of the incentive deriving from the achievement of the targets indicated from time to time, which shall not, in any event, exceed 100% of the fixed component of the Chief Executive Officer and General Manager and of the Managers with Strategic Responsibilities. In addition, the MBO may provide that (i) if the predefined budget is achieved, a proportion of the incentive be paid, equal to at least 50% of the maximum value that may be allocated and (ii) if the targets predefined in the budget are increased, the maximum amount of the incentive be paid.

b) of a medium-long term cash incentive (known as *Long Term Incentive Plan* or “**LTIP**”), structured on the basis of three-year *rolling* cycles, subject to the achievement of the following targets:

- *Net Result* as the access threshold;
- two annual performance targets, to be identified among the main economic-financial indicators, such as the achievement of certain values in terms of Orders, ROE, ROA, ROS and FOCF.

The maximum proportion of the fully operational incentive to the service of the LTIP shall not exceed the fixed component of the plan beneficiaries’ remuneration.

In order to encourage and remunerate compliance with the results over a medium-long period, the Remuneration Policy also states that LTIP plans shall arrange, for the targets to which they apply, mechanisms both for the recovery in subsequent years of any underperformance registered in previous years, and for carrying over to subsequent years any over-performance registered in each plan year.

In order to align the interests of the plan beneficiaries with the creation of shareholder value in a medium-long term perspective, LTIP plans also provide for the accrual of the incentive portions to occur as follows;

- 25% of the incentive for the first year of the cycle;
- 25% of the incentive for the second year of the cycle; and
- the remaining 50% at the end of the three years.

Also, in order to postpone the allocation of a significant part of the variable remuneration by a suitable period, the Remuneration Policy provides for the payment of the incentive portions accrued with respect to each year and to each target to be postponed by one year from the time of approval of the financial statements certifying the achievement of the targets;

c) of a medium-long term variable incentive based on shares (known as “*Stock Grant Plan* or “**SGP**”), of multiple years’ duration.

The allocation of the shares shall be subject to certain conditions precedent, namely the achievement of the following annual performance indicators:

- *Free Operating Cash Flow* (FOCF);
- STS Share vs. FTSE IT *All Share*;
- Economic Value Added (EVA).



The incidence of each target for the allocation of incentives is defined by the Board of Directors, on a proposal of the Nomination and Remuneration Committee.

In order to encourage and remunerate the maintenance of medium-long term period results, the Nomination and Remuneration Policy requires the SGP to be structured in such manner as to ensure that:

- (i) at least 50% of the shares that may be allocated under the plan accrue on achievement of the targets of the last year;
- (ii) as regards each of the targets, there be: (i) mechanisms for the recovery of any underperformance registered in previous years, as well as (ii) mechanisms for carrying over, to subsequent years, any over-performance registered in previous years;
- (iii) with regard to the achievement of each target, a tolerance threshold may be indicated on occasion of the annual final balance, for the failed achievement of 100% of the relevant target, but not to exceed 2.5%, thus allowing the accrual to the beneficiary of a corresponding proportion of the shares owed under the plan.

As for the vesting period, the Stock Grant Plan shall provide – in line with the recommendations of the Corporate Governance Code – for a three-year rolling vesting period, starting, for the first corporate year, from the date of approval of the SGP by the General Meeting of Shareholders and, for the subsequent years, from the corresponding date of each year.

The Remuneration Policy also provides for a lock-up clause to be established at the end of the vesting period mentioned above for the Chief Executive Officer, the General Manager and the Managers with Strategic Responsibilities, on a significant portion of the shares allocated, to be identified under the responsibility of the Board of Directors, on a proposal of the Nomination and Remuneration Committee, for a period of two years.

***f) Non-monetary benefits policy***

The Remuneration Policy contains no provisions regarding non-monetary benefits. The Chief Executive Officer and General Manager and the Managers with Strategic Responsibilities are granted the use of the corporate car for both business and private use and eventually, if the need therefore arises, the use of a dwelling, even for limited periods, according to the customary practice adopted in the company by the other managers.

***g) With regard to the variable components, description of the performance targets on the basis of which they are granted, differentiating between short and medium-long term variable components, and information on the link between the variation of the results and the variation of the remuneration***

See letter e).

***h) Criteria used for the assessment of the performance targets on which the allocation of shares, options and other financial instruments or variable remuneration components is based***

Each of the performance target values identified by the Remuneration Policy for paying the variable component of the remuneration are selected by giving preference to operating and financial objectives and target values in line with the creation of shareholder value over the medium-long period. For this purpose, mechanisms are also provided for the recovery of any underperformance registered in previous years, as well as for carrying over to subsequent

years any over-performance registered in previous years.

Generally speaking, the target values and objectives are based on the specific business of the

Company and are indicators of the ability of that company – which mainly operates in the management of multi-year job orders – to be self-financing and to handle the risk associated with its business over the medium-long period. The objectives connected with the performance of the Company's shares compared to the FTSE IT *All Share* index trend have been chosen as they represent, in the Company's opinion, objective criteria to measure the creation of value of the Company's shares over the medium-long term.

***i) Information aimed at highlighting the consistency of the Remuneration Policy with the pursuit of the company's long-term interests and with the risk management policy***

The Remuneration Policy states that the performance targets outlined above, the target values and the procedures for paying the variable component shall be consistent with the risk management policy adopted by the Company, because they must take into account the risks taken by Ansaldo STS, as well as the necessary capital and liquidity requirements of the Company to deal with the activities undertaken.

As explained in letter h), the said parameters are consistent with the pursuit of the long-term interest of the Company.

***j) Accrual entitlement terms (so-called vesting period), any deferred payment schemes, with indication of the postponement periods and of the criteria used to define such periods and the ex post correction mechanisms, where arranged***

As regards the vesting period and the postponement periods, see letter e).

The *vesting period* and the postponement periods are defined in view of the specific activity carried out by the Company - which mainly operates in the management of multi-year job orders - and with a view to aligning the management's interest with the pursuit of shareholder value creation over the medium-long period.

The Remuneration Policy provides that - with regard to the Chief Executive Officer's and the General Manager's variable remuneration components (as well as those of the Managers with strategic responsibilities) - the Company is allowed, by contract, to demand the repayment (or withhold the deferred payment), in whole or in part, of the variable remuneration components that have been paid on the basis of data which has - within a period of three years from disbursement - been proven by the competent departments to be manifestly erroneous (so-called claw-back clauses ).

The claw-back clauses must subject the effective application thereof to the condition that the Company's Board of Directors gives a binding opinion in relation thereto.

As indicated in letter e), the policy provides, moreover, for mechanisms for recovering any underperformance registered in previous years, as well as for carrying over to subsequent years any over-performance registered in previous years.

***k) Information on possible clauses for the maintenance of financial instruments in the portfolio after their acquisition, with indication of the maintenance periods and of the criteria used to define such periods***

As indicated under letter e), the Remuneration Policy states that, with regard to the Chief Executive Officer and the General Manager and the Managers with Strategic Responsibilities,

the SGPs must provide for a lock-up clause on a significant portion of the shares allocated, to be identified by the Board of Directors, on a proposal of the Nomination and Remuneration Committee, for a period of two years. The duration of such lock-up period, which, as said above, starts after the end of the three-year vesting period, meets the need to align the interests of the top management of the Company with those of the shareholders over the medium-long period.

***l) Policy for compensation in the event of cessation from office or termination of the employment contract***

The Remuneration Policy does not provide for agreements to be stipulated between the Company, the Directors, the General Manager and the Managers with Strategic Responsibilities, granting indemnities in the event of resignation or dismissal/termination without just cause or cessation of the employment in consequence of a takeover bid, save as specified below in relation to the Chief Executive Officer and General Manager.

Except for voluntary resignation from office and/or from the employment without just cause, or termination and/or dismissal for just cause, the Board of Directors - after consulting with the Nomination and Remuneration Committee and the Board of Statutory Auditors – may execute with the Chief Executive Officer and/or General Manager agreements aimed at regulating ongoing relationships, that grant the Chief Executive Officer and/or General Manager an indemnity for termination or non-renewal of office; this indemnity may not exceed 24 months' total remuneration for the offices and/or relationships that are ongoing when the termination occurs.

Subject to the above, the compensation applicable to cessation from office or termination of the employment shall be regulated by specific agreements with the ceased individuals, as well as by specific provisions, if any, of the regulations of the LTIP and SGP plans and/or of the national collective bargaining agreement for company managers.

***m) Information on insurance, social-security or pension benefits, other than mandatory ones***

The Remuneration Policy does not provide for insurance, social-security and pension benefits for the Chief Executive Officer, the General Manager and the Managers with Strategic Responsibilities, other than those required under the national collective bargaining agreement for the category, applicable to the Group managers.

***n) Remuneration policy on: (i) independent directors, (ii) participation in committees and (iii) the performance of certain tasks***

As recommended by the Corporate Governance Code, the remuneration of non-executive Directors is not linked to the economic performance the Company and/or the Group.

The remuneration of non-executive Directors, as mentioned above under letter *d)* of the Report, consists only of a fixed component, as resolved by the ordinary General Meeting.

Considering the definition of executive directors under Article 2, paragraph 1 of the Corporate Governance Code, the Chief Executive Officer is executive.

Likewise, the Chairman of the Board of Directors is also considered executive - even if he has received no particular delegation by the Board of Directors and therefore holds no executive role within the Company - by virtue of the posts held in the Hitachi Group.

In view of the above, all Independent Directors of the Company are non-executive. The remuneration policy followed by the Company for these Directors is therefore the same as for all non-executive Directors.

As regards the remuneration of Directors who take part in internal committees of the Board of

Directors (the Control and Risk Committee, which also functions as Related-Party Transactions Committee, and the Nomination and Remuneration Committee), the Policy states that they shall receive, in return for participation in each committee, an additional fee defined by the Board of Directors, upon a prior proposal from the Nomination and Remuneration Committee.

The Chairman and Deputy Chairman of the Board of Directors receive a fixed fee defined by the ordinary General Meeting.

***o) Information on the use, for reference if necessary, of the Remuneration Policy of other companies***

The Remuneration Policy has been drawn up by the Company without reference to the policy of any other companies.

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**SECTION II – FEES RECEIVED IN 2015 BY THE MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS, AS WELL AS BY THE GENERAL MANAGER AND THE MANAGERS WITH STRATEGIC RESPONSIBILITIES**

With reference to the 2015 financial year, this section of the Report illustrates: (i) name by name, the fees owed to the persons who, during the course of such tax year, have held the office of Director, Statutory Auditor and/or General Manager even for a fraction of such financial year, as well as (ii) the aggregate fees owed to Managers with Strategic Responsibilities.

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**PART ONE – ITEMS COMPRISING THE REMUNERATION**

In this part of Section II, an adequate representation is provided for each item comprising the 2015 remuneration for persons who have held the office of Member of the Board of Directors, Member of the Board of Statutory Auditors, General Manager, or Manager with Strategic Responsibilities for the financial year 2015.

These items are reflected in the tables contained in the Second Part of this Section.

**1.1 Board of Directors**

On the date of the Report, the Company's Board of Directors comprised Mr. Alistair Dormer (Chairman), Mr. Stefano Siragusa (Chief Executive Officer and General Manager), Ms. Karen Boswell (Deputy Chairman), Mr. Giovanni Cavallini (Independent Director), Mr. Giulio Gallazzi (Independent Director), Mr. Mario Garraffo (Independent Director), Ms. Paola Giannotti (Independent Director), Mr. Bruno Pavesi (Independent Director) and Ms Alessandra Piccinino (Independent Director).

On 30 March 2016, the Chairman of the Board of Directors, Mr. Alistair Dormer, the Deputy Chairman, Ms. Karen Boswell and the Chief Executive Officer and General Manager, Mr. Stefano Siragusa, resigned from their office in Ansaldo STS S.p.A. As the majority of the members of the Board of Directors appointed by the Shareholders' Meeting on 2 November 2015 was no longer in office following the resignation tendered by the Chairman Mr. Alistair Dormer, the Deputy Chairman, Ms. Karen Boswell and the Chief Executive Officer and General Manager, Mr. Stefano Siragusa (which followed the resignation tendered by the directors Ms. Barbara Poggiali and Mr.

Ryoichi Hirayanagi and the co-optation of the directors Ms. Alessandra Piccinino and Mr. Mario Garraffo in accordance with Article 2386 of the Italian Civil Code), in accordance with Article 2385, paragraph 1 of the Italian Civil Code, the resignation of the Chairman Mr. Alistair Dormer, the Deputy Chairman, Ms. Karen Boswell and the Chief Executive Officer and General Manager, Mr. Stefano Siragusa will be effective from the date on which the new Board of Directors will be elected.

#### **1.1.1 Chief Executive Officer and General Manager**

In 2015, the office of Chief Executive Officer and General Manager was held by Mr. Stefano Siragusa, who has been in office since 1 January 2014 and who was confirmed by the Board of Directors on 3 November 2015 after the General Meeting had approved the renewal of the company officers on 2 November 2015. As mentioned above, on 30 March 2016, Mr Stefano Siragusa resigned from his offices in Ansaldo STS S.p.A. In accordance with Article 2385, paragraph 1 of the Italian Civil Code, his resignation will be effective from the date on which the new Board of Directors will be elected.

A description follows of each of the items comprising Mr. Siragusa's remuneration for 2015.

- Fixed component, consisting of:
  - A fee of EUR 50,000.00 for the office of member of the Board of Directors (i) resolved by the General Meeting on 15 April 2014 for the period from 1 January 2015 to 2 November 2015; and (ii) resolved by the General Meeting on 2 November 2015 for the period commencing from 2 November 2015;
  - a fee of EUR 30,000.00, for the office of Chief Executive Officer, pursuant to Article 2389, third paragraph, of the Italian Civil Code - approved by the Board of Directors on 16 December 2014, as proposed by the Nomination and Remuneration Committee after having heard the opinion of the Board of Statutory Auditors - for the period from 1 January 2015 until 2 November 2015, as well as for the period from 2 November 2015, as confirmed by the Board of Directors on 3 November 2015 after having consulted with the Board of Statutory Auditors;
  - a fee for the office of General Manager amounting to EUR 320,000.00, approved by the Board of Directors on 11 February 2015, with effect from 1 January 2015, upon the Nomination and Remuneration Committee so proposing<sup>2</sup> and as confirmed by the Board of Directors on 3 November 2015;
  - a fee of EUR 100,000.00 which is specific consideration for the non-competition covenant described below in paragraph 1.4.
- Non-monetary benefits: corporate car, insurance and social-security coverage under the national collective bargaining agreement applied to the category, as well as use of accommodation, for a value of EUR 114,425.15.
- Variable component: During 2015, Mr. Siragusa received the fees described below:

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<sup>2</sup> The Board of Directors passed a resolution on 11 February 2015, upon the Appointments and Remuneration Committee so proposing, that approved, with effect from 1 January 2015, a restructuring of Mr. Siragusa's fixed and variable remuneration components and increased from Euro 195,000 to Euro 320,000 the General Manager's fixed remuneration, proportionally reducing the maximum amount of the compensation payable under the MBO and LTIP plans.

- The Board of Directors on 3 November 2015, taking note of the failure to assign Mr. Siragusa the objectives for the financial year 2015, resolved to adopt for such financial year the performance targets established for the financial year 2014, as well as the related final budgets. In resolving the above, the Board of Directors took into account the fact that, at such date, the objectives achieved by Mr. Siragusa had already considerably exceeded those forecast for the financial year 2014.

More specifically:

- (i) based on the established performance objectives and the incentive accrued with reference to the 2014 MBO plan, the incentive accrued for 2015 amounts to EUR 212,695.00, which will be disbursed in 2016;
- (ii) based on the pre-established performance objectives and the incentive accrued with reference to the 2014-2016 LTIP plan for the financial year 2014, the incentive accrued for 2015 - with reference to the medium-long term variable component - amounts to EUR 73,750.00 (this will be disbursed in 2017);
- The LTIP plan for 2013-2015, requires that the following performance targets be achieved in each year: (i) Net Result as access threshold; (ii) Revenues and ROI. For the portion of the incentive referring to 2015, the achievement of the targets was verified on the basis of the draft financial statements and consolidated financial statements for 2015, approved by the Board of Directors. Since the access threshold has not been reached with reference to the financial year 2015, no incentive will be paid. In any event, please note that the LTIP plan for 2013-2015 envisaged, due to the annual vesting, that the payment of this incentive would occur during 2017, subject to the achievement of the targets.
- The LTIP plan for 2014-2016 requires that the following performance targets be achieved in each financial year: (i) Net Result as access threshold; (ii) Turnover and Working Capital. For the portion of the incentive referring to 2015, the achievement of the targets was verified on the basis of the draft financial statements and consolidated financial statements for 2015, as approved by the Board of Directors. Based on the LTIP 2014-2016 plan, the incentive accrued with reference to the financial year 2015 amounted to EUR 36,875.00, which, due to the annual vesting, will be paid in 2017;
- Plan for the free allocation of shares 2014 - 2016 (SGP 2014-2016), subject to the achievement of the performance targets indicated in the *"Informative Document, as provided for under Article 84-bis, paragraph 1, of the Regulation, adopted by Consob with resolution No. 11971 dated May 14, 1999, as subsequently amended and supplemented in relation to the stocks grant plan of Ansaldo STS S.p.A."*, available at <http://www.ansaldo-sts.com>.

With reference to 2015, the Board of Directors meeting held on 30 October 2014 set at EUR 18,298 the maximum number of shares that may be allocated to Mr. Siragusa under that plan. The achievement of the targets was verified on the basis of the draft financial statements and consolidated financial statements for 2015 approved by the Board of Directors. The shares accrued with reference to the financial year 2015 were 18,298 and they will be allocated in 2018. The SGP for 2014-2016 also provides for a two-year lock-up period with respect to 20% of the shares assigned.

- Extraordinary economic incentive called "*Stay Bonus*". On 25 March 2015, the Company's Board of Directors, upon the Nomination and Remuneration Committee so proposing, and after the Related-Party Transaction Committee had given its favourable opinion in relation thereto, resolved to grant a so-called "*Stay Bonus*" to certain key figures whose role is considered essential for ensuring the business continuity of the Ansaldo STS Group during the course of the deal launched by Finmeccanica concerning the sale to Hitachi Ltd. of the stake held by the latter in Ansaldo STS. More specifically, the Chief Executive Officer and General Manager have been awarded an extraordinary economic incentive to be paid in two instalments, amounting to EUR 316,923.00, whose payment is subject: (i) as regards the first instalment, to the condition that the employment relationship between the Company and Mr. Siragusa is still ongoing on date on which the sale to Hitachi of the stake held by Finmeccanica Ansaldo STS is completed; (ii) as regards the second instalment, to the condition that the employment relationship between the Company and Mr. Siragusa is still ongoing on 31 December 2015.

On 30 September 2015 the Board of Directors, upon the Appointments Remunerations Committee so proposing, and after having received the favourable opinion of the Related-party transaction Committee, resolved to supplement the Stay Bonus awarded to Mr. Siragusa, awarding a further extraordinary economic incentive amounting to EUR 250,000.00. The accrual of this incentive is subject to the condition that: (i) the employment relationship between the Company and Mr. Siragusa is still ongoing on the date of approval and filing of the Company's financial statements for the financial year 2015; (ii) Mr. Siragusa completes the relevant formalities necessary for the approval by the General Meeting of the financial statement for the financial year 2015 and for the filing thereof.

Please note that the said condition - according to which the employment relationship must still be ongoing when the aforementioned incentives accrue - is to be understood as having been fulfilled in the event that the employment is terminated at that date as a result of the recipient of the incentive being subject to redundancy (*licenziamento per motive oggettivo*) or, in any event, for a fact that is not attributable to the latter, or in the event of his or her resignation for just cause.

Reference is made to paragraph 1.4. below with regard to the compensation due to the Chief Executive Officer and General Manager following his resignation on 30 March 2016 and his waiver of the payment of the variable components of his remuneration that had not yet been paid.

#### **1.1.2. Chairman of the Board of Directors**

The remuneration of the Chairman is not linked to the economic results of the Company and, therefore, it consists only of a fixed pay defined by the ordinary Meeting upon their appointment.

During the financial year 2015, the office as Chairman of the Board of Directors was held

- for the period going from 1 January, 2015 to 30 October 2015, by Mr. Sergio De Luca, who had been appointed as Chairman of the Board of Directors by the General Meeting held on 15 April 2014 and who resigned from his position as Company Director on 30 October 2015, with effect from the same date;
- from 2 November 2015, by the Director Alistair Dormer, appointed as Chairman of the Board of Directors by the General Meeting held on 2 November 2015. As mentioned above, on 30 March 2016, Mr. Alistair Dormer resigned from his offices in Ansaldo STS S.p.A. In accordance with Article 2385, paragraph 1 of the Italian Civil Code, his resignation will be effective from the date on which the new Board of Directors will be elected.

For the year 2015:

- Mr. Sergio De Luca received remuneration *pro rata* for the office of Chairman of the Board of Directors, amounting to EUR 62,466.00, as approved by the General Meeting on 15 April 2014;
- Mr. Alistair Dormer, received remuneration *pro rata* for the position of Chairman of the Board of Directors amounting to EUR 12,534.00, as approved by General Meeting on 2 November 2015.

No compensation is to be paid in the event of cessation from office.

### **1.1.3 Deputy Chairman of the Board of Directors**

In 2015, the office of Deputy Chairman of Ansaldo STS was held:

- For the period going from 1 January 2015 to 2 November 2015, by the Director Domenico Braccialarghe, co-opted and appointed as Deputy Chairman by the Board of Directors on 1 October 2014 and subsequently reconfirmed in this role by the Board of Directors on 5 May 2015, following his appointment as a Director by the General Meeting held on 23 April 2015, pursuant to Article 2386 of the Italian Civil Code;
- For the period going from 3 November 2015 to 20 November 2015 by the Director Ryoichi Hirayanagi, appointed as member of the Board of Directors by the General Meeting held on 2 November and as Deputy Chairman of Ansaldo STS by the Meeting of the Board of Directors held on 3 November, who resigned from the post of Director of the Company on 20 November 2015, with immediate effect;
- From 25 November, by the Director Karen Boswell, appointed as member of the Board of Directors by the General Meeting held on 2 November and as Deputy Chairman of Ansaldo STS by the Board of Directors held on 25 November. As mentioned above, on 30 March 2016, Ms. Karen Boswell resigned from her offices in Ansaldo STS S.p.A. In accordance with Article 2385, paragraph 1 of the Italian Civil Code, her resignation will be effective from the date on which the new Board of Directors will be elected.

For the year 2015:

- Deputy Chairman of the Board of Directors, Domenico Braccialarghe received a pro rata fee of EUR 41,918.00, as remuneration for the office of member of the Board of Directors, as resolved by the General Meeting on April 2014;
- Deputy Chairman Ryoichi Hirayanagi received a pro rata remuneration for the position of member of the Board of Directors amounting to EUR 2,603.00, as resolved by the General Meeting held on 2 November 2015;
- Deputy Chairman Karen Boswell received a salary pro rata for the position of member of the Board of Directors amounting to EUR 8,082.00, as approved by the General Meeting held on 2 November 2015.



No compensation is to be paid in the event of cessation from office.

#### **1.1.4 Other members of the Board of Directors**

In 2015, the following Directors were members of the Board of Directors, apart from the Directors Stefano Siragusa, Sergio De Luca, Domenico Braccialarghe, Alistair Dormer, Ryoichi Hirayanagi and Karen Boswell:

- for the period from 1 January 2015 to 2 November 2015, Alessandra Genco and Paola Pierri, who ceased office at the General Meeting on 2 November 2015;
- for the period from 1 January 2015 to 3 November 2015, Barbara Poggiali, who had already been a member of the previous Board of Directors, was reconfirmed at the General Meeting held on 2 November 2015 and resigned on 3 November with immediate effect;
- For the period from 1 January 2015 to 31 December 2015, Giovanni Cavallini, Giulio Gallazzi and Bruno Pavesi, who had already been members of the previous Board of Directors, were confirmed by the General Meeting held on 2 November 2015;
- for the period from 2 November 2015 to 31 December 2015, Paola Giannotti, who was appointed by the General Meeting held on 2 November 2015;
- for the period from 9 November 2015 to 31 December 2015, Alessandra Piccinino, who was appointed, pursuant to Article 2386 of the Italian Civil Code, by Board of Directors Meeting held on 9 November 2015, in order to replace the director Barbara Poggiali;
- for the period starting from 25 November 2015 to 31 December 2015, Mario Garraffo, who was appointed, pursuant to Article 2386 of the Italian Civil Code, by the meeting of the Board of Directors held on 25 November 2015, replacing the Director Ryoichi Hirayanagi.

The remuneration of these members of the Board of Directors, all non-executive, is not linked to the economic results of the Company and, therefore, it consists only of a fixed pay.

Please note that, as a result of the resignation tendered on 30 March 2016 by the Chairman, the Deputy Chairman and the Chief Executive Officer, the majority of members of the Board of Directors appointed by the Shareholders' Meeting of 2 November 2015 is no longer present. As a result, the entire Board of Directors must be considered to have resigned and will remain in office until the date on which the new Board of Directors will be elected.

For 2015:

- Alessandra Genco and Paola Pierri each received a fee on a pro rata basis for the office of member of the Board of Directors amounting to EUR 41,918.00 as resolved by the General Meetings held on 15 April 2014;
- Barbara Poggiali received a fee on a pro rata basis for the position of member of the Board of Directors, amounting to EUR 42,055.00, as approved by the General Meeting held on 15 April 2014 and 2 November 2015;
- Giovanni Cavallini Giulio Gallazzi and Bruno Pavesi received a fee for the position of member of the Board of Directors amounting to EUR 50,000.00, as approved by the Shareholders' Meeting held on 15 April 2014 and 2 November 2015;

- Paola Giannotti received a fee on a pro rata basis for the position of member of the Board of Directors amounting to EUR 8,082.00, as approved by the Shareholders' Meeting held on 2 November 2015;
- Alessandra Piccinino and Mario Garraffo received a fee on a pro rata basis for the position of member of the Board of Directors, amounting, respectively, to EUR 8,082.00 and EUR 5,068.00, as approved by the General Meeting held on 2 November 2015.

#### **1.1.5 Members of Internal Committees of the Board of Directors**

The members of the Control and Risk Committee and the Nomination and Remuneration Committee receive an additional fee defined, in a fixed amount, by the Board of Directors.

In 2015, the Control and Risk Committee was composed of the following members of the Board of Directors:

- From 1 ° January 2015 to 2 November 2015: Giovanni Cavallini (Chairman), Paola Pierri and Barbara Poggiali, whose annual fee was determined by the Board of Directors Meeting held on 15 April 2014 in EUR 30,000.00 for the Chairman, and EUR 25,000.00 for the other members of the Committee;
- From 10 November 2015 to 31 December 2015, Giovanni Cavallini (Chairman), Paola Giannotti and Bruno Pavesi, whose annual remuneration had been determined by the Board of Directors Meeting held on 10 November 2015 in EUR 30,000.00 for the Chairman and EUR 25,000.00 for the other members of the Committee.

Based on the above, set out below is the remuneration received by the aforesaid Directors for participating in the Control and Risk Committee during the year 2015:

- Giovanni Cavallini: EUR 29,507.00;
- Paola Pierri: EUR 20,959.00;
- Barbara Poggiali: EUR 21,027.00;
- Paola Giannotti: EUR 3,630.00;
- Bruno Pavesi: EUR 3,630.00.

In 2015, the Nomination and Remuneration Committee was composed of the following members of the Board of Directors:

- From 1 January 2015 to 2 November 2015: Bruno Pavesi (Chairman), Giovanni Cavallini and Giulio Gallazzi, whose annual fee was determined by the Board of Directors Meeting held on 15 April 2014 in EUR 20,000.00 for the Chairman, and EUR 15,000.00 for the other members of the Committee;
- From 10 November 2015 to 31 December 2015, Giulio Gallazzi (Chairman), Bruno Pavesi and Alessandra Piccinnino, whose annual remuneration determined by the Board of Directors Meeting held on 10 November 2015 in EUR 20,000.00 for the Chairman and EUR 15,000.00 for the other members of the Committee.

Based on the above, set out below is the remuneration received by the aforesaid Directors for participating in the Nomination and Remuneration Committee during the year 2015:

- Bruno Pavesi: EUR 18,945.00;
- Giovanni Cavallini: EUR 12,575.00;
- Giulio Gallazzi: EUR 15,479.00;
- Alessandra Piccinino: EUR 2,178.00.

## 1.2 Board of Statutory Auditors

In 2015, the Board of Statutory Auditors was composed of the following statutory auditors: Giacinto Sarubbi (Chairman), Renato Righetti and Maria Enrica Spinardi, whose annual remuneration was approved by the General Meeting held on 15 April 2014 and amounted to:

- EUR 75,000.00 plus a lump-sum of EUR 15,000.00 for attending the Board committee meetings, for the Chairman and
- EUR 50,000.00 plus a lump-sum of EUR 10,000.00 for attending the Board committee meetings, for the other auditors.

## 1.3 Managers with Strategic Responsibilities

In 2013, the Company identified as Managers with Strategic Responsibilities the *Business Signalling* unit manager (a position which was covered at such time by Emmanuel Viollet, who is no longer employed by the Group Ansaldo STS), the *Business Transportation Solutions* unit manager (position held on an interim basis by Sergio De Luca until 31 December 2013) and the *Standard Product & Platform* unit manager (Giuseppe Gaudiello).

On 20 February 2014, the Board of Directors, after consultation with the Nomination and Remuneration Committee and in light of the new organisational structure of the Company, identified the following as new Managers with strategic responsibilities, replacing the previous ones, with effect from 1 January 2014: the *Chief Operating Officer* of the Company (Christian Andi), the *Business Mass Transit & Railways* unit manager (Giuseppe Gaudiello) and the *Business Freight* unit manager (Michele Fracchiolla).

Please note that the fees indicated for the Managers with Strategic Responsibilities are the aggregate, inasmuch as, in 2015, none of the Managers with Strategic Responsibilities received total fees of more than the highest total fee received by members of the Board of Directors and of the Board of Statutory Auditors.

Below is a description of each of the items that comprised the remuneration of the Managers with Strategic Responsibilities in 2015.

- Fixed component comprising the annual fixed gross remuneration, under the individual agreement signed by the Managers with Strategic Responsibilities, in compliance with the provisions of the applicable collective bargaining regulations, for a total amount of EUR 647,682.00.
- Non-monetary benefits: corporate car, insurance and social-security coverage under the national collective bargaining agreement applied to the category, amounting to a total of EUR 119,152.73.
- Variable component: during the course of the financial year 2015, the Managers with Strategic Responsibilities, who were in office, received the remuneration set out below:

- The Board of Directors Meeting held on 3 November 2015, taking note on such date of the failure to assign the Managers with Strategic Responsibility objectives for the financial year 2015, decided to adopt for such year the performance objectives established for the financial year 2014 and its related final budgets.

In particular:

- (i) based on the established performance objectives and the incentive accrued with reference to the 2014 MBO plan, the incentive accrued for 2015 is EUR 423,710.00 and will be disbursed in 2016;
- (ii) based on the established performance objectives and the incentive accrued with reference to the LTIP 2014-2016 plan for the financial year 2014, the incentive accrued for the financial year 2015, with reference to the medium-long term variable component, is EUR 161,727.00 and will to disbursed in 2017;
- The LTIP 2014-2016 Plan subject to the achievement for each year, of the following performance targets: (i) Net Result as access threshold; (ii) Turnover and Working Capital. For the portion of the incentive referring to 2015, the achievement of the targets was verified on the basis of the draft financial statements and consolidated financial statements for 2015, approved by the Board of Directors. Based on the LTIP 2014-2016 plan, the incentive accrued with reference to the financial year 2015 amounting to EUR 80,864.00 will, due to the annual vesting, be paid during the course of financial year 2017; plan for the free allocation of shares 2014-2016 (SGP 2014-2016), subject to the achievement of the performance targets indicated in the *"Information Document, drafted under Article 84-bis, paragraph 1, of the Regulation, adopted by Consob with resolution No. 11971 dated 14 May 1999, as subsequently amended and supplemented relevant to the stocks grant plan of Ansaldo STS S.p.A."*, available at <http://www.ansaldo-sts.com>.

In relation to that plan, with reference to the financial year 2015, the Board of Directors meeting held on 30 October 2014 set at 40,126 the maximum number of shares that may be allocated to the Manager with Strategic Responsibilities under that plan. The achievement of the targets was verified on the basis of the draft financial statements and consolidated financial statements for 2015, approved by the Board of Directors. 40,126 shares were accrued for 2015, and they will be allocated in 2018. The SGP for 2014-2016 also provides for a two-year lock-up period for 20% of the shares assigned.

- Extraordinary economic incentive called *"Stay Bonus"*. On 25 March 2015, the Company's Board of Directors, upon the Appointments Remunerations Committee so proposing, and after having received the favourable opinion of the Transactions with Related-party transaction Committee, resolved to grant a so-called *"Stay Bonus"* to certain key figures whose role is considered essential for ensuring the business continuity of the Ansaldo Group STS during the course of the transaction launched by Finmeccanica concerning the sale of its stake in Ansaldo STS to Hitachi. More specifically, the Managers with Strategic Responsibilities have been awarded an extraordinary economic incentive to be paid in two instalments, amounting to EUR 398,096.00, whose payment is subjected: (i) as regards the first instalment, to the condition that the employment relationships between the Company and each Director with Responsibility is still ongoing on date on which the sale to Hitachi of the stake held by Finmeccanica Ansaldo STS is completed; (ii) as regards the second instalment, to the condition that the employment relationship between the Company and each Director with Responsibility is still ongoing on 31 December 2015.

Please note that the said condition - according to which the employment relationship must still be ongoing when the aforementioned incentives accrue - is to be understood as having been fulfilled in the event that the employment has been terminated at that date as a result of the recipient of the incentive being redundant (*licenziamento per motivo oggettivo*) or, in any event, for a fact that is not attributable to the latter, or in the event of his or her resignation for just cause.

Furthermore, with exclusive reference to the Key Management Personnel who held that role prior to 1 January 2014, the latter, during the course of 2015, were recipients of:

- an LTIP plan for 2013-2015 subject to the achievement for each year, of the following performance targets: (i) *Net Result* as access threshold; (ii) *Revenues* and ROI. For the portion of the incentive referring to 2015, the achievement of the targets was verified after the approval of the draft financial statements and consolidated financial statements for 2015, approved by the Board of Directors. Since the access threshold has not been reached, no incentive will be paid in 2015. However, it is noted that, on the basis of the LTIP 2013-2015 plan, it was expected that the said incentive would, as a result of the annual vesting, be paid, subject to the achievement of objectives, during the course of 2017.

Compensation in the event of early termination of the employment with the Managers with Strategic Responsibilities are described in the paragraphs that follow. With the exception of those provisions, no other agreements are in place between the Company and the Managers with Strategic Responsibilities.

#### **1.4 Agreements providing for an indemnity in the event of early termination of the employment contract and effects of termination of employment on rights granted under incentive plans**

Subject to what has been indicated below, there are no specific agreements in force providing for an indemnity in the event of early termination of the employment contract.

As specifically regards the Chief Executive Officer, the General Manager and the Managers with Strategic Responsibilities, the SGP 2014-2016 plan provides that:

- in the event of dismissal for just cause under Article 2119 of the Italian Civil Code and of justified dismissal or of resignation without just cause pursuant to the same article, as in the case of termination for just cause or of resignation without just cause (from the position of director), which occurs prior to the delivery of the shares involved in the plan, the exclusion from the plan will be automatic; accordingly, the allocation of the shares to the participants in the plan (Chief Executive Officer, the General Manager and Managers with Strategic Responsibilities) shall be deemed to be cancelled for all effects and purposes and all entitlement to receive shares that are allocated but not yet delivered at the date of termination of the office or of the employment, shall be immediately cancelled and devoid of any further effect. Unless a more favourable decision is taken by the Committee, a similar exclusion will take place in the event that the concerned party is or was on leave and/or excluded or suspended from the employment for a continuous or fractioned period greater than or equal to 3 months between the date of assignment and the date of delivery, except for maternity and paternity leave, and parental leave;
- in the event of termination by mutual agreement of a plan participant's employment contract, with the Company's prior written consent, or in the event of unjustified dismissal or dismissal without just cause under Article 2119 of the Italian Civil Code or of resignation for just cause pursuant to that article, as in the case of cessation from office not due to termination for just cause or of resignation for just cause (from the position of director),

which occurs prior to the date of expiry of the Plan validity - and, unless a more favourable decision is taken by the Committee (which, for assignments to persons other than the directors with delegated powers, resolves on the Chief Executive Officer's and General Manager's proposals) - the targets, whose achievement is the precondition for the attribution of the shares allocated will be redefined, also taking into account the actual permanence (*pro rata temporis*) of the plan participant in the Company or, within the scope of the plan beneficiaries, in relation to the period of validity of the same plan, provided that the conditions and targets required for the actual allocation of the shares have been met. The same provisions also apply in the event of cessation from office or termination of the employment due to death, permanent disability or if the person concerned meets the old age pension requirements. It is understood that, in the event of death, the rights assigned shall be transferred to the heirs.

In both cases, however, the Regulation permits the Company to adopt a different and more favourable determination.

Similar provisions are also contained in the Regulations of the LTIP plans described above.

Furthermore, with reference to the SGP 2014-2016 plan, the Board of Directors, upon the Nomination and the Remuneration Committee so proposing and the Control and Risk Committee giving its favourable opinion in relation thereto, has decided, in its capacity as Related-Party transaction Committee, that, in the event that (i) he is dismissed without good cause and/or dismissed without good cause being proven, or (ii) he voluntarily resigns from his job and from his office for good cause, and is removed, at the same time from his office as Chief Executive Officer or General Manager, as well as in the event that he is not re-elected as Chief Executive Officer at the end of his current office, Mr. Siragusa is entitled to the shares arising from this plan, quantified by the compulsory take-over bid promoted by Hitachi Rail Italy Investments S.r.l. on all the Ansaldo STS ordinary shares and, therefore, without applying the three-yearly vesting period. The value of shares arising from the SGP plan is not included in the calculation of the severance benefits described below.

As regards the *Stay Bonus* awarded to the Chief Executive Officer and General Manager and Managers with Strategic Responsibilities, it has been decided that the condition of the employment relationship continuing to exist until the date of accrual of this incentive is fulfilled in the event that the employment relationship is not ongoing on such date as a result of redundancy (*motivo oggettivo*), or at least for a fact that is not attributable to the recipient of the incentive, or in the case of resignation for just cause.

The same provisions apply to supplementing the *Stay Bonus* awarded to the Chief Executive Officer and General Manager on 30 September 2015.

The contract between the Company and Mr. Siragusa, approved by the Board of Directors after the Nomination and Remuneration Committee has given its opinion in relation thereto, provides as follows:

In the event of early cessation of office due to:

- termination without just cause and/or dismissal without just cause;
- voluntary resignation from his job and office for just cause,

a taxable gross indemnity will be paid equal to 24 months' total remuneration, calculated as the sum:

- i. of the annual fixed remuneration paid to Mr. Stefano Siragusa as Chief Executive Officer and General Manager;

- ii. of the average, on an annual basis, of the variable MBO and LTIP components (the SGP remaining excluded from any calculation) that may be received in the 2 years prior to the cessation.

On 21 December 2015, the Ansaldo STS Board of Directors, (a) having received the favourable opinion of the Nomination and Remuneration Committee and the favourable opinion of the Related Party Transaction Committee, unanimously resolved that any and (at the time not certain) resignation that Mr. Siragusa were to tender (i) with effect from any date after 30 March 2016 and (ii) following the presentation of the draft financial statements for the year 2015 to the Ansaldo STS Board of Directors, would be deemed to be a resignation for just cause; (b) resolved to amend, in accordance with the above, the agreement signed by Mr. Siragusa on 3 November 2015 concerning his employee relationship with the Company; (c) specified that, following the resignation tendered in the manner described above, he would have been entitled to an allowance for termination provided for under the said agreement.

The Company has also signed a non-competition agreement with Mr. Stefano Siragusa, containing the following essential terms: duration: 12 months; geographic area: Europe and North America; sector: any sector in which companies in competition with Ansaldo STS operate. The consideration for this agreement is of EUR 100,000 per year (see paragraph 1.1.1).

In light of the above and of the resignation tendered by Mr. Siragusa on 30 March 2016, the Company will pay to Mr. Siragusa, by way of settlement with novative effects, the total lump-sum of EUR 50,000, gross of withholdings under the law within June 2016.

Furthermore, in consideration of the non-compete agreement between Mr. Siragusa and the Company, the Company will pay the additional total lump-sum amount of EUR 245,000 gross of withholdings under the law within June 2016.

In consideration of Mr Siragusa's waiver of the payments due for the variable components of his remuneration, that had already been disclosed to the market, but had not yet been paid, the Company will pay the total lump-sum of EUR 2,096,000 gross of withholdings under the law within June 2016.

The Nomination and Remuneration Committee unanimously expressed its favourable opinion on the above amounts being paid to Mr Siragusa and reported the above to the Board of Directors, which also unanimously welcomed it favourably.

For the sake of completeness, please note that, under the contract between the Company and Mr. Siragusa, in the event of non renewal as Chief Executive Officer at the end of his current office, the Company should have paid Mr. Siragusa compensation for termination of the employment amounting to 1.5 years of the total remuneration referred to in points i) and ii) above. As regards payment, the aforementioned indemnities, when granted/due, should have been paid only if the following basing preconditions are met:

- the cessation of the office of Chief Executive Officer and of the employment; and
- the signing of a settlement agreement, ratified pursuant to Article 2113, paragraph 4, of the Italian Civil Code and Articles 410 and 411 of the Italian Code of Civil Procedure on termination of his post of Chief Executive Officer and his employment, as well as any other work relationship with the Ansaldo STS Group companies.

Nothing would have been due to the Mr. Stefano Siragusa in the event of his voluntary resignation from office and/or from the employment without just cause, or in the event of termination of and/or dismissal from office with just cause.

Notwithstanding the foregoing, there are no agreements providing for the allocation or maintenance of non-monetary benefits in favour of those who have ceased their office, or the stipulation of consultancy contracts for a period following the termination of the relationship.

\* \* \* \* \*

Please note that all remuneration plans adopted by the Company under Articles 114-*bis* of the TUF are available in the “*Governance*” – “*Governance Documents and Reports*” section of the Company’s website ([www.ansaldo-sts.com](http://www.ansaldo-sts.com)).

Attached to this report are the tables containing the implementation status of the SGP 2012-2013 plan and the SGP 2014-2016 plan.

\* \* \* \* \*

## **PART TWO - TABLES**

The following tables detail the fees of the members of the Board of Directors and of the Board of Statutory Auditors, the General Manager and of the Managers with Strategic Responsibilities, paid or to be paid by the Company or by its subsidiaries and affiliates for 2015.

Genoa, 22 April 2016

For the Board of Directors

The Chairman

(Alistair Dormer)



**Table 1: Fees paid to the members of the Board of Directors, the Board of Statutory Auditors, of the General Manager and the Managers with Strategic Responsibilities in 2015\***

Name and surname	Office	Term of office	Date of expiry of office		Fixed fees	Fees for participation in Committees	Non equity variable fees		Non-monetary benefits	Other fees	Total	Fair Value of fees	Indemnity for end of office / termination of employment contract
							Bonuses and other incentives	Participation in the profits					
Figures in EUR													
Sergio De Luca	BoD Chairman	01.01.2015- 30.10.2015	Cessation from office on 30.10.2015	<i>Fees in Ansaldo STS</i>	62,466.00	-	-	-	-	-	62,466.00	-	-
				<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-	-	
				<i>Total</i>	62,466.00	-	-	-	-	62,466.00	-	-	
Alistair Dormer	BoD Chairman	02.11.2015 -31.12.2015	Meeting for approval of fin. statement 2017	<i>Fees in Ansaldo STS</i>	12,534.00	-	-	-	-	-	12,534.00	-	-
				<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-		
				<i>Total</i>	12,534.00	-	-	-	-	12,534.00	-	-	
Stefano Siragusa	Chief Executive Officer and General Manager	01.01.2015-31.12.2015	Meeting for approval of fin. statement 2017	<i>Fees in Ansaldo STS</i>	528,202.00 <sup>(1)</sup>	-	640,243.00 <sup>(2)</sup>	-	114,425.15	-	1,282,870.15	132,750.00 <sup>(3)</sup>	- <sup>(4)</sup>
				<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-		
				<i>Total</i>	528,202.00 <sup>(1)</sup>	-	640,243.00 <sup>(2)</sup>	-	114,425.15	-	1,282,870.15	132,750.00 <sup>(3)</sup>	-
Domenico Braccialarghe	Deputy Chairman BoD	01.01.2015-02.11.2015	Cessation from office on 02.11.2015	<i>Fees in Ansaldo STS</i>	41,918.00	-	-	-	-	-	41,918.00	-	-
				<i>Fees in subsidiaries and</i>	-	-	-	-	-	-	-		

\* Please note that, with the exception of the notes set out below concerning the Chief Executive Officer, the General Manager and the Managers with Responsibilities, fees of the members of the Board of Directors and of the members of the Board of Statutory Auditors indicated in this table and relative to 2015, will be paid in 2016.

Name and surname	Office	Term of office	Date of expiry of office		Fixed fees	Fees for participation in Committees	Non equity variable fees		Non-monetary benefits	Other fees	Total	Fair Value of fees	Indemnity for end of office / termination of employment contract
							Bonuses and other incentives	Participation in the profits					
Figures in EUR													
				<i>affiliates</i>									
				<i>Total</i>	41,918.00	-	-	-	-	-	41,918.00	-	-
Ryoichi Hirayanagi	Deputy Chairman BoD	02.11.2015-20.11.2015 <sup>(5)</sup>	Cessation from office on 20.11.2015	<i>Fees in Ansaldo STS</i>	2,603.00	-	-	-	-	-	2,603.00	-	-
				<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-	-	-
				<i>Total</i>	2,603.00	-	-	-	-	-	2,603.00	-	-
Karen Boswell	Deputy Chairman BoD	02.11.2015-31.12.2015 <sup>(6)</sup>	Meeting for approval of fin. statement 2017	<i>Fees in Ansaldo STS</i>	8,082.00	-	-	-	-	-	8,082.00	-	-
				<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-	-	
				<i>Total</i>	8,082.00	-	-	-	-	-	8,082.00	-	-
Giovanni Cavallini	Director, Chairman CRC and member NRC	01.01.2015-31.12.2015 <sup>(7)</sup>	Meeting for approval of approval fin. statement 2017	<i>Fees in Ansaldo STS</i>	50,000.00	42,082.00 <sup>(8)</sup>	-	-	-	-	92,082.00	-	-
				<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-	-	
				<i>Total</i>	50,000.00	42,082.00 <sup>(8)</sup>	-	-	-	-	92,082.00	-	-
Giulio Gallazzi	Director, Member and Chairman NRC	01.01.2015-31.12.2015 <sup>(9)</sup>	Meeting for approval of fin. statement 2017	<i>Fees in Ansaldo STS</i>	50,000.00	15,479.00 <sup>(10)</sup>	-	-	-	-	65,479.00	-	-
				<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-	-	
				<i>Total</i>	50,000.00	15,479.00 <sup>(10)</sup>	-	-	-	-	65,479.00	-	-
Mario Garraffo	Director	25.11.2015-31.12.2015	Next Meeting	<i>Fees in Ansaldo STS</i>	5,068.00	-	-	-	-	-	5,068.00	-	-

Name and surname	Office	Term of office	Date of expiry of office		Fixed fees	Fees for participation in Committees	Non equity variable fees		Non-monetary benefits	Other fees	Total	Fair Value of fees	Indemnity for end of office / termination of employment contract
							Bonuses and other incentives	Participation in the profits					
Figures in EUR													
				<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-	-	-
				<i>Total</i>	5,068.00	-	-	-	-	-	5,068.00	-	-
Alessandra Genco	Director	01.01.2015-02.11.2015	Cessation from office on 02.11.2015	<i>Fees in Ansaldo STS</i>	41,918.00	-	-	-	-	-	41,918.00	-	-
				<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-	-	-
				<i>Total</i>	41,918.00	-	-	-	-	-	41,918.00	-	-
Paola Giannotti	Director and CRC Member	02.11.2015-31.12.2015 <sup>(11)</sup>	Meeting for approval of fin. statements for 2017	<i>Fees in Ansaldo STS</i>	8,082.00	3,630.00	-	-	-	-	11,712.00	-	-
				<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-	-	-
				<i>Total</i>	8,082.00	3,630.00	-	-	-	-	11,712.00	-	-
Bruno Pavesi	Director and CRC Member, as well as Chairman and NRC Member	01.01.2015 - 31.12.2015 <sup>(12)</sup>	Meeting for approval of fin. statements for 2017	<i>Fees in Ansaldo STS</i>	50,000.00	22,575.00 <sup>(13)</sup>	-	-	-	-	72,575.00	-	-
				<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-	-	-
				<i>Total</i>	50,000.00	22,575.00 <sup>(13)</sup>	-	-	-	-	72,575.00	-	-
Alessandra Piccinino	Director and NRC Member	09.11.2015-31.12.2015 <sup>(14)</sup>	Next Meeting	<i>Fees in Ansaldo STS</i>	8,082.00	2,178.00	-	-	-	-	10,260.00	-	-
				<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-	-	-
				<i>Total</i>	8,082.00	2,178.00	-	-	-	-	10,260.00	-	-

Name and surname	Office	Term of office	Date of expiry of office		Fixed fees	Fees for participation in Committees	Non equity variable fees		Non-monetary benefits	Other fees	Total	Fair Value of fees	Indemnity for end of office / termination of employment contract
							Bonuses and other incentives	Participation in the profits					
<b>Figures in EUR</b>													
Paola Pierri	Director and CRC Member	01.01.2015-02.11.2015	Cessation from office on 02.11.2015	<i>Fees in Ansaldo STS</i>	41,918.00	20,959.00	-	-	-	-	62,877.00	-	-
				<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-	-	
				<i>Total</i>	41,918.00	20,959.00	-	-	-	-	62,877.00	-	-
Barbara Poggiali	Director and CRC Member	01.01.2015-03.11.2015	Cessation from office on 03.11.2015	<i>Fees in Ansaldo STS</i>	42,055.00	21,027.00	-	-	-	-	63,082.00	-	-
				<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-	-	
				<i>Total</i>	42,055.00	21,027.00	-	-	-	-	63,082.00	-	-
Giacinto Sarubbi	Chairman Board Statutory of Auditors	01.01.2015-31.12.2015	Meeting for approval of fin. statements for 2016	<i>Fees in Ansaldo STS</i>	75,000.00	15,000.00	-	-	-	-	90,000.00	-	-
				<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-	-	
				<i>Total</i>	75,000.00	15,000.00	-	-	-	-	90,000.00	-	-
Renato Righetti	Regular Statutory Auditor	01.01.2015-31.12.2015	Meeting for approval of fin. statements for 2016	<i>Fees in Ansaldo STS</i>	50,000.00	10,000.00	-	-	-	-	60,000.00	-	-
				<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-	-	
				<i>Total</i>	50,000.00	10,000.00	-	-	-	-	60,000.00	-	-
Maria Enrica Spinardi	Regular Statutory Auditor	01.01.2015-31.12.2015	Meeting for approval of fin. statements for 2016	<i>Fees in Ansaldo STS</i>	50,000.00	10,000.00	-	-	-	-	60,000.00	-	-
				<i>Fees in subsidiaries and</i>	-	-	-	-	-	-	-	-	

Name and surname	Office	Term of office	Date of expiry of office		Fixed fees	Fees for participation in Committees	Non equity variable fees		Non-monetary benefits	Other fees	Total	Fair Value of fees	Indemnity for end of office / termination of employment contract	
							Bonuses and other incentives	Participation in the profits						
Figures in EUR														
				<i>affiliates</i>										
				<i>Total</i>	50,000.00	10,000.00	-	-	-	-	60,000.00	-	-	
Manager with Strategic Responsibilities <sup>(15)</sup>	-	-	-	<i>Fees in Ansaldo STS</i>	701,993.00 <sup>(16)</sup>	-	1,064,397.00 <sup>(17)</sup>	-	119,152.73	-	1,885,542.73	291,110.00 <sup>(3)</sup>	-	
				<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-	-	-	-
				<i>Total</i>	701,993,00 <sup>(16)</sup>	-	1,064,397.00 <sup>(17)</sup>	-	119,152.73	-	1,885,542.73	291,110.00 <sup>(3)</sup>	-	

<sup>(1)</sup> Amounts paid in the financial year 2015:

- EUR 50,000.00 as fixed fee for the office of Member of the Board of Directors;
- EUR 30,000.00 as fixed fee assigned to Mr. Siragusa for the office of Chief Executive Officer pursuant to Article 2389, third paragraph of the Italian Civil Code;
- EUR 320,000.00 as fee for the office of General manager;
- EUR 100,000.00 by way of consideration for the non-compete covenant described in paragraph 1.4, Section II;
- EUR 6,337.00 as employment remuneration, with particular regard to holidays and other allowances;
- EUR 21,865.00 as lump-sum reimbursement for expenses.

<sup>(2)</sup> Of which:

- EUR 212,695.00, as incentive accrued for the financial year 2015 based on the established performance objectives and the incentive accrued with reference to the MBO 2014 plan, approved by the Board of Directors Meeting on 3 November 2015.
- EUR 36,875,00 relating to the LTIP 2014-2016 plan, for the achievement of the objectives for the financial year 2015.
- EUR 73,750.00, as the incentive accrued for the financial year 2015 based on the established performance objectives and the incentive accrued with reference to the LTIP 2014-2016 plan for the financial year 2014, approved by the Board of Directors Meeting on 3 November 2015:
- EUR 316,923.00, by way of the extraordinary economic incentive "*Stay Bonus*", of which EUR 39,615 will be disbursed in 2016.

Following his resignation on 30 March 2016, Mr. Siragusa waived the payment of the variable component of his remuneration that had already been disclosed to the market but not yet paid. In consideration of this waiver, the Company will pay the total lump-sum amount of EUR 2,906,000, gross of withholdings due under the law, within June 2016.

<sup>(3)</sup> *Fair value* based on the maximum number of shares that may be allocated under the 2014-2016 Stock grant plan, with reference to 2015. With regard to the waiver of this variable component of the remuneration, please see footnote 2 above.

<sup>(4)</sup> The fee for the non-compete covenant, received during the year 2015 by Mr. Siragusa, amounting to EUR 100,000.00, which is included in the item "*Fixed remuneration*."

<sup>(5)</sup> Ryoichi Hirayanagi was appointed Deputy Chairman of Ansaldo STS by the Board of Directors Meeting held on 3 November 2015.

<sup>(6)</sup> Karen Boswell was appointed Deputy Chairman of Ansaldo STS by the Board of Directors Meeting held on 25 November 2015.

<sup>(7)</sup> Giovanni Cavallini held the office of member of the Nomination and Remuneration Committee until 2 November 2015.

<sup>(8)</sup> Of which: (i) EUR 29,507.00 as Chairman of the Control and Risk Committee; and (ii) EUR 12,575.00 as *pro rata temporis* remuneration for the office of Member of the Nomination and Remuneration Committee.

<sup>(9)</sup> Giulio Gallazzi held the office of the member of the Nomination and Remuneration Committee from 1 January 2015 to 2 November 2015. On 10 November 2015, following the renewal of the Board, Mr. Gallazzi was appointed Chairman of the Nomination and Remuneration Committee.

<sup>(10)</sup> Of which: (i) EUR 12,575.00 as *pro rata temporis* remuneration for the position of member of the Nomination and Remuneration Committee; and (ii) EUR 2,904.00 as *pro rata temporis* remuneration for the position of Chairman of the Nomination and Remuneration Committee.

<sup>(11)</sup> Paola Giannotti was appointed member of the Control and Risk Committee on 10 November 2015.

<sup>(12)</sup> Bruno Pavesi held the position of Chairman of the Nomination and Remuneration Committee from 1 January 2015 to 2 November 2015. On 10 November 2015, following the renewal of the Board, Mr. Pavesi was appointed member of the Control and Risk Committee and of the Nomination and Remuneration Committee.

<sup>(13)</sup> Of which: (i) EUR 16,767.00 as *pro rata temporis* remuneration for the position of Chairman of the Nomination and the Remuneration Committee and (ii) EUR 3,630.00 as *pro rata temporis* remuneration for the position of member of the Control and Risk Committee; and (iii) EUR 2,178.00 as *pro rata temporis* remuneration for the position of member of the Nomination and Remuneration Committee.

<sup>(14)</sup> Alessandra Piccinino was appointed member of the Nomination and Remuneration Committee on 10 November 2015.

<sup>(15)</sup> This item refers to the Company's Chief Operating Officer (Christian Andi), the Head of the Business & Mass Transit Railways (Giuseppe Gaudiello) and the Head of Business Freight (Michele Fracchiolla) identified as the Managers with Strategic responsibilities commencing from 1 January 2014.

<sup>(16)</sup> Of which:

- EUR 647,682.00 as fixed remuneration, consisting in the fixed gross annual remuneration provided for under the individual contract signed by the Managers with Strategic Responsibilities, in accordance with the provisions of the applicable contractual rules;
- EUR 14,449.00 as employment remuneration, with particular reference to holidays and other emoluments;
- EUR 39,862.00 by way of a fixed indemnity.

<sup>(17)</sup> Of which:

- EUR 423,710.00, as an incentive accrued for the financial year 2015 on the basis of the established performance targets and the incentive accrued with reference to the MBO 2014 plan, as approved by the Board of Directors on 3 November 2015; this amount will be paid in 2016;
- EUR 80,864.00 associated with the LTIP 2014-2016 plan, with reference to the objectives for the financial year 2015; such amount, due to the annual vesting, will be paid in 2017;
- EUR 161,727.00 as an incentive accrued for the financial year 2015 on the basis of the established performance targets and the incentive accrued with reference to the LTIP 2014-2016 plan for the year 2014, as approved by the Board of Directors on 3 November 2015; such amount, due to the annual vesting, will be paid in 2017;
- EUR 398,096.00, by way of the extraordinary economic incentive "Stay Bonus", of which EUR 49,762.00 was disbursed in 2016.

**Table 2: Incentive plans based on financial instruments, other than *stock options*, in favour of the Chief Executive Officer, of the General Manager and of the Managers with Strategic Responsibilities**

First name and surname	Office		Plan	Financial instruments allocated in previous years, not vested during the year		Financial instruments allocated during the year					Financial instruments vested during the year and not allocated	Financial instruments vested during the year that may be allocated		Financial instruments accrued during the year
				no. and type of financial instrument	Vesting period	no. and type of financial instrument	Fair value the date allocation (EUR)	Vesting period	Date of allocation	Market price at the allocation date (EUR)	no. and type of financial instrument	no. and type of financial instrument	Value at accrual date	Fair Value (EUR)
Stefano Siragusa	Chief Executive Officer and General Manager	<i>Fees in Ansaldo STS</i>	Free Share Allocation Plan 2014-2016 (Meeting of held on 15.04.2014)	18,298 <sup>(1)</sup>	Three years	18,298 <sup>(2)</sup>	7.2549	Three years	15 April 2014 <sup>(3)</sup>	-	-	-	-	132,750.00 <sup>(4)</sup>
		<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-	-	-	-	-	-
		<i>Total</i>	-	18,298	-	18,298	7.2549	Three years	-	-	-	-	-	132,750.00
Sergio De Luca	Chief Executive Officer <sup>(5)</sup>	<i>Fees in Ansaldo STS</i>	Free Share Allocation Plan 2012-2013 (Meeting held on 07.05.2012)	51,340 <sup>(6)</sup>	Three years	-	-	-	-	-	-	19,253 <sup>(7)</sup>	182,615.00 <sup>(13)</sup>	-

		<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-	-	-	-	-	-
		<i>Total</i>	-	51,340	-	-	-	-	-	-	-	19,253	182,615.00	-
Managers with Strategic Responsibilities	<i>Fees in Ansaldo STS</i>	Free Share Allocation Plan 2012-2013 (Meeting of 07.05.2012)	26,128 <sup>(8)</sup>	Three years	-	-	-	-	-	-	-	9,798 <sup>(9)</sup>	92,934.03 <sup>(13)</sup>	-
		Free Share Allocation Plan 2014-2016 (Meeting of 15.04.2014)	40,126 <sup>(10)</sup>	Three years	40,126 <sup>(11)</sup>	7.2549	Three years	15 April 2014 <sup>(2)</sup>	-	-	-	-	-	291,110.00 <sup>(12)</sup>
	<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	<i>Total</i>	-	66,254	Three years	40,126	7.2549	Three years	-	-	-	-	9,798	92,934.03	291,110.00 <sup>(12)</sup>

<sup>(1)</sup> Maximum number of shares to be granted under the Stock Grant Plan 2014-2016 for the year 2014. The shares vested with reference to the year 2014 amounted to 18,298, and, in respect of the three-year vesting period, would have been granted during year 2017. However, following his resignation on 30 March 2016, Mr. Siragusa waived, among other payments, the payment of the variable component of his remuneration arising from his participation in the Stock Grant Plan 2014-2016. Therefore, the vested shares will not be delivered.

<sup>(2)</sup> Maximum number of shares to be granted under the 2014-2016 stock grant plan for financial year 2015. The shares vested with reference to the year 2015 amounted to 18,298 and, in respect of the three-year vesting period, would have been attributed during the course of the financial year 2018. However, following his resignation on 30 March 2016, Mr. Siragusa waived, among other payments, the payment of the variable component of his remuneration arising from his participation in the Stock Grant Plan 2014-2016. Therefore, the vested shares will not be delivered.

<sup>(3)</sup> The expiry date refers to the General Meeting, at which the Stock Grant Plan 2014-2016 was approved.

<sup>(4)</sup> Fair value determined based on the maximum number of shares attributed as part of the 2014-2016 Stock Grant Plan, with reference to the year 2015.



- <sup>(5)</sup> Office held until 31 December 2013. Since 1 January 2014, Mr. De Luca holds the position of Chairman of the Board of Directors. Mr. De Luca does not participate in the plan SGP 2014-2016.
- <sup>(6)</sup> Maximum number of shares to be granted for the year 2013 under the 2012-2013 stock grant plan. The shares accrued with reference to the year 2013 amounted to 12.835 (including any increases tied to the instalments of the capital increase) and, in observance of the three-year vesting period, they will be allocated during the year 2016.
- <sup>(7)</sup> Shares accrued with reference to the year 2012, inclusive of the increases linked to the instalments of the capital increase, of which 3,851 are subject to lock-up every two years. These shares, in compliance with the three-year vesting period, were allocated during the year 2015.
- <sup>(8)</sup> Maximum number of shares to be granted for the year 2013 under the Stock Grant Plan 2012-2013. The shares acquired with reference to the year 2013 amounted to 6,532, inclusive of the increases linked to the instalments of the capital increase. In compliance with the three-year vesting period, they will be allocated during the year 2016.
- <sup>(9)</sup> Shares accrued with reference to the year 2012, inclusive of the increases linked to the instalments of the capital increase, of which 1,960 are subject to lock-up every two years. These shares, in compliance with the three-year vesting period, were allocated during the year 2015.
- <sup>(10)</sup> Maximum number of shares to be granted under the 2014-2016 Stock Grant Plan for the year 2014 to the Managers with strategic responsibilities commencing from 1 January 2014. The shares accrued with reference to the financial year 2014 amounted to 40,126 and, in compliance with the three-year vesting period, will be conferred during the year 2017
- <sup>(11)</sup> Maximum number of shares to be granted, under the Stock Grant Plan 2014-2016, for the year 2015 to the Managers with Strategic Responsibilities commencing from 1 January 2014. The shares accrued with reference to the year 2015 amounted to 40,126 and, in compliance with the three-year vesting period, will be conferred during the year 2018.
- <sup>(12)</sup> Fair value determined by the maximum number of shares to be granted under the 2014-2016 Stock Grant Plan with reference to the year 2015.
- <sup>(13)</sup> Taxable value of shares granted on the accrual date, which is the so-called "normal value" and which is the average daily closing value of the Ansaldo STS stocks in the 30 days prior to the expected delivery.

**Table 3: Monetary incentive plans in favour of the Chief Executive Officer, of the General Manager and of the Managers with Strategic Responsibilities**

First name and surname	Office		Plan	Annual bonus (EUR)			Previous annual bonuses (EUR)			Other bonuses (EUR)
				Payable/paid	Postponed	Postponement period	No longer payable	Payable/paid	Further postponed	
Stefano Siragusa	Chief Executive Officer and General Manager	<i>Fees in Ansaldo STS</i>	MBO 2015 (BoD 3.11.2015)	212,695.00	-	-	-	-	-	-
			LTIP 2013-2015 (BoD 26 June 2013)	0	0	1 year	-	-	-	-
			LTIP 2014-2016 (BoD 30.10.2014)	-	36,875.00	1 year	-	-	-	-
			LTIP 2015 (BoD 3.11.2015)	-	73,750.00	1 year	-	-	-	-
		<i>Stay Bonus</i>	-	-	-	-	-	-	316,923.00	
		<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-	
		<i>Total</i>		212,695.00	110,625.00	-	-	-	-	316,923.00
Managers with		<i>Fees in</i>	MBO 2015 <sup>(1)</sup>	423,710.00	-	-	-	-	-	

Strategic Responsibilities	<i>Ansaldo STS</i>	(BoD 3.11.2015)							
		LTIP 2013-2015 (BoD 26.06.2013) <sup>(2)</sup>	0	0	1 year	-	-	-	-
		LTIP 2014-2016 (BoD 30.10.2014) <sup>(1)</sup>	-	80,864.00	1 year	-	-	-	-
		LTIP 2015 (BoD 3.11.2015) <sup>(1)</sup>	-	161,727.00	1 year	-	-	-	-
		<i>Stay Bonus</i> <sup>(1)</sup>	-	-	-	-	-	-	398,096.00
		<i>Fees in subsidiaries and affiliates</i>	-	-	-	-	-	-	-
		<i>Total</i>	-	423,710.00	242,591.00	-	-	-	398,096.00

<sup>(1)</sup> This item refers to the Company's Chief Operating Officer (Christian Andi), the Head of the *Business & Mass Transit Railways* (Giuseppe Gaudiello) and Head of the Business Freight (Michele Fracchiolla) who have, since 1 January 2014, been identified as the Managers with Strategic responsibilities.

<sup>(2)</sup> This item refers exclusively to Managers with Strategic responsibilities who also held that role prior to 1 January 2014.

**SECTION III: INFORMATION ON THE SHAREHOLDINGS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS, AS WELL AS OF THE GENERAL MANAGER AND MANAGERS WITH STRATEGIC RESPONSIBILITIES**

The following table indicates, name by name, the shareholdings held by the members of the Board of Directors, the Board of Statutory Auditors, the General Manager and the aggregate of those held by the Managers with Strategic Responsibilities in Ansaldo STS and its subsidiaries.

Surname and first name	Office	Period in which the office was held	Invested company	No. of shares owned at the end of 2014	No. of shares bought	No. of shares sold	No. of shares owned at the end of 2015
Sergio De Luca	Bod Chairman	01.01.2015-30.10.2015	Ansaldo STS	103,041	10,974 <sup>(4)</sup>	0	114,015 <sup>(1)(2)</sup>
Managers with Strategic Responsibilities <sup>(3)</sup>	-	01.01.2015-31.12.2015	Ansaldo STS	14,858	14.858 <sup>(5)</sup>	27,756	1,960 <sup>(1)</sup>

<sup>(1)</sup> Ownership of Shares.

<sup>(2)</sup> Position held until 30 October 2015.

<sup>(3)</sup> Such item refers to the Company's *Chief Operating Officer* (Christian Andi), the head of the *Business Mass Transit & Railway* (Giuseppe Gaudiello) and the head of the *Business Freight Division* (Michele Fracchiolla), who have been identified as Managers with Strategic Responsibilities since 01 January 2014.

<sup>(4)</sup> These shares, of which 3,851 were subject to two-year lock-up, were delivered during the course of 2015.

<sup>(5)</sup> These shares, of which 1,960 were subject to two-year lock-up, were delivered during the course of 2015.

## ANNEX

The tables detailing the status of implementation of the SGP 2012-2013 plan are set out below

**FEE PLANS BASED ON FINANCIAL INSTRUMENTS**  
**Table No. 1 of Schedule 7 of Annex 3A of Regulation No. 11971/1999**

First name and surname or category	Office	Stock Grant Plan 2012 - 2013 - PANEL 1 – ALLOCATION FOR 2013						
		Financial instruments other than stock options ( <i>STOCK GRANT</i> )						
		<u>Section 1</u> Financial instruments relating to plans that are still ongoing, approved on the basis of previous General Meeting resolutions						
		Date of resolution	Description of financial instrument	Number of instruments assigned by the competent body (Nomination and Remuneration Committee)	Date of allocation by the competent body (Nomination and Remuneration Committee)	Purchase price of the financial instruments, if any	Market price at the allocation date	Vesting period
Sergio De Luca	Chief Executive Officer of Ansaldo STS S.p.A. <sup>(1)</sup>	07/05/2012	Shares in Ansaldo STS S.p.A.	12,835 <sup>(2)</sup>	05/03/2014 <sup>(2)</sup>	—	N. A. <sup>(7)</sup>	Three years <sup>(8)</sup>
Managers with Strategic Responsibilities <sup>(3)</sup>	----	07/05/2012	Shares in Ansaldo STS S.p.A.	6,532 <sup>(4)</sup>	05/03/2014 <sup>(4)</sup>	—	N. A. <sup>(7)</sup>	Three years <sup>(8)</sup>
Managers (41 recipients) <sup>(5)</sup>	----	07/05/2012	Shares in Ansaldo STS S.p.A.	109,056 <sup>(6)</sup>	05/03/2014 <sup>(6)</sup>	—	N.A. <sup>(7)</sup>	Three years <sup>(8)</sup>

- <sup>(1)</sup> Office held until 31<sup>st</sup> December 2013.
- <sup>(2)</sup> Based on the General Meeting resolution of 7 May 2012 approving the 2012-2013 Stock Grant Plan, the Chief Executive Officer was allocated a maximum number of shares amounting to 35,939 in 2013. 12,835 shares, which effectively accrued for 2013, were allocated by the Nomination and Remuneration Committee on 5 March 2014 (this number takes into account the increase related to the third, fourth and fifth instalments of the capital increase). The shares will be delivered during 2016, in compliance with the three-year vesting period foreseen the plan.
- <sup>(3)</sup> Such item refers to the sole head of the *Standard Product & Platform* Unit (Giuseppe Gaudiello), qualified as a Manager with Strategic Responsibilities until 31 December 2013, thus excluding Emmanuel Viollet, who was previously head of the *Business Signalling* Unit and has no longer been an employee of the Ansaldo STS Group since 31 March 2015.
- <sup>(4)</sup> Based on the General Meeting resolution passed on 7 May 2012 approving the 2012-2013 Stock Grant Plan, the Managers with Strategic Responsibilities in office until 31 December 2013 were assigned, in aggregate, a maximum number of 18,289 shares for 2013. The 6,532 shares effectively accrued for 2013 were allocated by the Nomination and Remuneration Committee on 5 March, 2014 (this number takes into account the increase related to the third, fourth and fifth instalments of the capital increase). The shares will be delivered during 2016 in compliance with the three-year vesting plan.
- <sup>(5)</sup> The Board of Directors meeting of 28 June 2012, on the Nomination and Remuneration Committee so proposing, identified the Managers of Ansaldo STS and/or Companies of the Group ASTS as beneficiaries of the 2012-2013 Stock Grant Plan, also determining the number of shares to be allotted to each of them (on that date, 56 Managers were thus identified). To date, following the exit from the Group of three of the beneficiaries who had been initially identified (of which one on 1 March 2014), 53 Managers were identified as beneficiaries for the year 2013. After 12 individuals, who had initially been identified, had left the Group, the beneficiaries of the *Stock Grant* 2012-2013 plan for 2013 amounted to 41.
- <sup>(6)</sup> Based on the General Meeting resolution of 7 May 2012 approving the 2012-2013 Stock Grant Plan, the Managers of Ansaldo and/or of companies of the Ansaldo STS Group were allocated, in aggregate, a maximum of 305,361 shares for 2013. The 109,056 shares – which had effectively accrued from the resources covered by the plan for the year 2013 – were allocated by the Nomination and Remuneration Committee on 5 March 2014 (this number takes into account the increase relating to the third, fourth and fifth instalments of the capital increase). The shares will be delivered during 2016 in compliance with the three-year vesting period provide for under the said plan.
- <sup>(7)</sup> This information will be available on the date of delivery of the shares. On the date the General Meeting was held on 7 May 2012 – which approved the Stock Grant Plan for 2012-2013 - the market price was EUR 7.42.
- <sup>(8)</sup> The Stock Grant Plan for 2012-2013 approved by the ordinary General Meeting of 7 May 2012 provides that the three-year vesting period for shares allocated for 2013 begins from 7 May 2013.

First name and surname or category	Office	Stock Grant Plan 2012 -2013 - PANEL 1 – ALLOCATION FOR 2012						
		Financial instruments other than stock options (STOCK GRANT)						
		<b>Section 1</b> Financial instruments relating to plans that are still ongoing, approved on the basis of previous General Meeting resolutions						
		Date of resolution	Description of financial instrument	Number of instruments assigned by the competent body (Nomination and Remuneration Committee)	Date of allocation by the competent body (Nomination and Remuneration Committee)	Purchase price of the financial instruments, if any	Market price at the allocation date	Vesting period
Sergio De Luca	Chief Executive Officer of Ansaldo STS S.p.A. <sup>(1)</sup>	07/05/2012	Shares of Ansaldo STS S.p.A.	19,253 <sup>(2)</sup>	01/03/2013 <sup>(2)</sup>	—	N. A. <sup>(7)</sup>	Three years <sup>(8)</sup>
Managers with Strategic Responsibilities <sup>(3)</sup>	----	07/05/2012	Shares of Ansaldo STS S.p.A.	9,798 <sup>(4)</sup>	01/03/2013 <sup>(4)</sup>	—	N. A. <sup>(7)</sup>	Three years <sup>(8)</sup>
Managers (44 beneficiaries) <sup>(5)</sup>	----	07/05/2012	Shares of Ansaldo STS S.p.A.	175,784 <sup>(6)</sup>	01/03/2013 <sup>(6)</sup>	—	N.A. <sup>(7)</sup>	Three years <sup>(8)</sup>

(1) Office held until 31 December 2013.

(2) Based on the General Meeting resolution of 7 May 2012 approving the 2012-2013 Stock Grant Plan, Mr. De Luca was allocated a maximum number of shares amounting to 17,969. The allocation of 19,253 shares, effectively accrued for 2012, was made by the Nomination and Remuneration Committee on 1 March 2013 (this number takes into account the increase related to the third, fourth and fifth instalments of the capital increase). The shares will be delivered on the first business day of May 2015, following the expiry of the three-year vesting period running from the date of the General Meeting that approved the plan, and, therefore, 8 May 2015. It must be pointed out, under the 2012-2013 Stock Grant Plan Regulation, 20% of the shares delivered is subjected to a two-yearly lock-up commencing from the vesting period.

(3) This item refers to the only Head of the *Standard Product & Platform* (Giuseppe Gaudiello), qualified as Management with Strategic Responsibilities until 31 December 2013, since the former Head of the *Business Signalling* Unit, Emmanuel Viollet, had left the Company on 31 March 2015.

- (4) Based on the General Meeting resolution dated 7 May 2012 approving the 2012-2013 Stock Grant Plan, the Managers with Strategic Responsibilities in charge until 31 December 2013 were assigned, in aggregate, a maximum number of shares amounting to 9,144. 9,798 shares effectively accrued for the year 2012 were allocated by the Nomination and Remuneration Committee on 1 March 2013 (this number takes into account the increase related to the third, fourth and fifth instalments of the capital increase). The shares will be delivered on the first business day of May 2015, following the expiry of the three-year vesting period starting from the date of the General Meeting that approved the plan, and, therefore, 8 May 2015. It must be pointed out, under the 2012-2013 Stock Grant Plan Regulation, 20% of the shares delivered is subjected to a two-yearly lock-up commencing from the vesting period.
- (5) The Board of Directors Meeting held on 28 June 2012, identified, upon the Nomination and Remuneration Committee so proposing, the Ansaldo STS and/or ASTS Group Managers who were beneficiaries under the 2012-2013 Stock Grant Plan, also determining the number of shares to be allotted to each of them. At that date, the number of Managers thus identified amounted to 56. After two of the initially identified beneficiaries had exited the Group, the number of managers identified under the 2012-2013 Stock Grant Plan, for the year 2012, amounted to 54. After ten of the initially identified beneficiaries had also exited the Group, the number of beneficiaries under the Stock grant plan 2012-2013, for the financial year 2012, amounted to 44.
- (6) Based on the General Meeting resolution dated 7 May 2012, which had approved the 2012-2013 Stock Grant Plan, assigned to Ansaldo STS and/or ASTS Group Managers a maximum number of shares amounting to 164,066. 175,784 shares actually accruing for 2012 were allocated by the Nomination Committee and Remuneration Committee on 1 March 2013 (this number takes into account the increase relating to the third, fourth and fifth instalments of the capital increase). The shares were allocated on the first business day in May 2015, following the expiry of the three-year vesting period running from the date on which the Shareholders approved the plan and, therefore, 8 May 2015.
- (7) This figure will be available on the delivery date of the shares. On 7 May 2012, which was the date on which the General Meeting approved the 2012-2013 Stock Grant Plan, the market price was EUR 7.42.
- (8) The 2012-2013 Stock Grant Plan approved by the General Meeting on 7 May 2012 provides that the three-year vesting period relative to shares assigned with reference to the financial year 2012 runs from the date of approval of the plan by the aforementioned General Meeting. The shares were delivered on the first business day of May 2015 following the expiry of the three-year vesting period and, therefore, 8 May 2015.



The following table shows the status of the SGP 2014-2016 plan's implementation

### REMUNERATION PLANS BASED ON FINANCIAL INSTRUMENTS

**Table No. 1 of scheme 7 of Annex 3A to Regulation No. 11971/1999**

First name and surname or category	Office	Stock Grant Plan 2014 -2016 - PANEL 1 – ALLOCATION FOR 2014						
		Financial instruments other than stock options ( <i>STOCK GRANT</i> )						
		<b>Section 1</b> Financial instruments relating to plans that are still ongoing, approved on the basis of previous General Meeting resolutions						
		Date of resolution	Description of financial instrument	Number of instruments assigned by the competent body (Nomination and Remuneration Committee)	Date of allocation by the competent body (Nomination and Remuneration Committee)	Purchase price of the financial instruments, if any	Market price at the allocation date	Vesting period
Stefano Siragusa	Ansaldo STS S.p.A. Chief Executive Officer and General Manager	15/04/2014	Shares of Ansaldo STS S.p.A.	18,298 <sup>(1)</sup>	3 March 2015 <sup>(1)</sup>	—	N. A. <sup>(6)</sup>	Three-Yearly Period <sup>(7)</sup>
Managers with Strategic Responsibilities <sup>(2)</sup>	----	15/04/2014	Shares of Ansaldo STS S.p.A.	40,126 <sup>(3)</sup>	3 March 2015 <sup>(3)</sup>	—	N. A. <sup>(6)</sup>	Three-Yearly Period <sup>(7)</sup>
Managers (33 beneficiaries) <sup>(4)</sup>	----	15/04/2014	Shares of Ansaldo STS S.p.A.	191,723 <sup>(5)</sup>	3 March 2015 <sup>(5)</sup>	—	N.A. <sup>(6)</sup>	Three-Yearly Period <sup>(7)</sup>

<sup>(1)</sup> Based on the resolution passed by the General Meeting on 15 April 2014 which approved the Stock Grant Plan 2014-2016, a maximum number of shares amounting to 18,298 for the year 2014 were assigned to the Chief Executive Officer and General Manager. 18,298 actually vested shares for the year 2014 were allocated by the Nomination and Remuneration Committee on 3 March 2015. Based on the provisions of the Plan, these shares would have been attributed during financial year 2018. Following his resignation on 30 March 2016, Mr Siragusa waived, among other payments, the payment of the variable component of his remuneration arising from his participation in the Stock Grant Plan 2014-2016. Therefore, the vested shares will not be delivered.

<sup>(2)</sup> This item refers to the Company's Chief Operating Officer (Christian Andi), the Head of the *Business & Mass Transit Railway* (Giuseppe Gaudiello) and the Head of the *Business Freight* (Michele Fracchiolla), identified as Managers with Strategic Responsibilities commencing from 1 January 2014.

<sup>(3)</sup> Based on the resolution passed by the General Meeting on 15 April 2014 which approved the Stock Grant Plan 2014-2016, a maximum number of shares attributable for the year 2014 amounting to 40,126 were allocated in aggregate to Managers with Strategic Responsibilities commencing from 1 January 2014. 40,126 actually vested shares were, for the year 2014, allocated by the Nomination and the Remuneration Committee on 3 March 2015. The shares will be delivered during the course of 2017, in compliance with the plan's three-year vesting period.

<sup>(4)</sup> The Board of Directors Meeting held on 30 October 2014, identified, upon the Nomination and Remuneration Committee so proposing, 37 Ansaldo STS and/or ASTS Group Managers as being beneficiaries of the 2014-2016 Stock Grant Plan. Following the exit of 4 of the initially identified recipients from the Group, the number of beneficiaries of the Stock Grant Plan 2014-2016, for 2014, amounted to 33. It must be pointed out that, during the three-year period, in addition to the initial beneficiaries of the plan, other Managers can be added to the list of initial recipients, bringing the maximum number of beneficiaries provided for under the plan to 46.

<sup>(5)</sup> Based on the resolution passed by the General Meeting on 15 April 2014 which approved the Stock Grant Plan 2014-2016, a maximum number of shares attributable for the year 2014 amounting to 191,723 were allocated in aggregate to Ansaldo STS and/or ASTS Group Managers in office. 191,723 actually vested shares were, for the year 2014, allocated by the Nomination and the Remuneration Committee on 3 March 2015. The shares will be delivered during the course of 2017, in compliance with the three-year vesting period of the plan.

<sup>(6)</sup> This figure will be available on the delivery of the shares. On 15 April 2014, when the General Meeting approved the 2014-2016 Stock Grant Plan, the market price was EUR 6.939.

<sup>(7)</sup> The 2014-2016 Stock Grant Plan approved by the General Meeting on 15 April 2014 provides that the three-year vesting period regarding the shares assigned with reference to the year 2014 runs from the date of approval of the plan by the General Meeting.

First name and surname or category	Office	Stock Grant Plan 2014 -2016 - PANEL 1 – ALLOCATION FOR 2015						
		Financial instruments other than stock options (STOCK GRANT)						
		<b>Section 1</b> Financial instruments relating to plans that are still ongoing, approved on the basis of previous General Meeting resolutions						
		Date of resolution	Description of financial instrument	Number of instruments assigned by the competent body (Nomination and Remuneration Committee)	Date of allocation by the competent body (Nomination and Remuneration Committee)	Purchase price of the financial instruments, if any	Market price at the allocation date	Vesting period
Stefano Siragusa	Ansaldo STS S.p.A. Chief Executive Officer and General Manager	15/04/2014	Shares of Ansaldo STS S.p.A.	18,298 <sup>(1)</sup>	15 February 2016 <sup>(1)</sup>	—	N. A. <sup>(6)</sup>	Three-Yearly Period <sup>(7)</sup>
Managers with Strategic Responsibilities <sup>(2)</sup>	----	15/04/2014	Shares of Ansaldo STS S.p.A.	40,126 <sup>(3)</sup>	15 February 2016 <sup>(3)</sup>	—	N. A. <sup>(6)</sup>	Three-Yearly Period <sup>(7)</sup>
Managers (34 beneficiaries) <sup>(4)</sup>	----	15/04/2014	Shares of Ansaldo STS S.p.A.	198,202 <sup>(5)</sup>	15 February 2016 <sup>(5)</sup>	—	N.A. <sup>(6)</sup>	Three-Yearly Period <sup>(7)</sup>

<sup>(1)</sup> Based on the resolution passed by the General Meeting on 15 April 2014 which approved the 2014-2016 Stock Grant Plan, a maximum number of shares amounting to 18,298 for the year 2015 were assigned to the Chief Executive Officer and General Manager. 18,298 actually vested shares for the year 2015 were allocated by the Nomination and Remuneration Committee on 15 February 2016. Based on the provisions of the Plan, shares should have been attributed during the course of 2018. However, following his resignation on 30 March 2016, Mr. Siragusa waived, among other payments, the payment of the variable component of his remuneration arising from his participation in the Stock Grant Plan 2014-2016. Therefore, the vested shares will not be delivered.

<sup>(2)</sup> This item refers to the Chief Operating Officer of the Company (Christian Andi), the Head of the *Business & Mass Transit* Railway (Giuseppe Gaudiello) and the Head of the *Business Freight* (Michele Fracchiolla), qualified as Managers with Strategic Responsibilities commencing from 1 January 2014.

<sup>(3)</sup> Based on the resolution passed by the General Meeting on 15 April 2014 which approved the 2014-2016 Stock Grant Plan, a maximum number of shares attributable for the year 2015 amounting to 40,126 were allocated in aggregate to Managers with Strategic Responsibilities commencing from 1 January 2014. 40,126 actually vested shares were, for the year 2015, allocated by the Nomination and the Remuneration Committee on 15 February 2016. The shares will be delivered during the course of 2018, in compliance with the three-year vesting period of the plan.

<sup>(4)</sup> The Board of Directors Meeting held on 30 October 2014, upon the Nomination and Remuneration Committee so proposing, identified 37 Ansaldo STS and/or ASTS Group Managers as beneficiaries of the 2014-2016 Stock Grant Plan. Following the exit of 5 of the initially identified recipients from the Group and the identification of 2 further beneficiaries, the number of beneficiaries of the 2014-2016 Stock Grant Plan for the year 2015 amounted to 34.

<sup>(5)</sup> Based on the resolution passed by the General Meeting on 15 April 2014 which approved the 2014-2016 Stock Grant Plan, a maximum number of shares attributable for the year 2015 amounting to 198,202 were allocated in aggregate to Ansaldo STS and/or ASTS Group Managers. 198,202 were actually vested shares for the year 2015, that were allocated by the Nomination and the Remuneration Committee on 15 February 2016. The shares will be delivered during the course of 2018, in compliance with the three-year vesting period of the plan.

<sup>(6)</sup> This figure will be available on the delivery date of the shares. On 15 April 2014, when the General Meeting approved the 2014-2016 Stock Grant Plan, the market price was EUR 6.939.

<sup>(7)</sup> The 2014-2016 Stock Grant Plan approved by the General Meeting on 15 April 2014 provides that the three-year vesting period regarding the shares assigned with reference to the year 2014 runs from the date of approval of the plan by the General Meeting.

## PROPOSED RESOLUTION

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

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

- *After having examined and discussed the section of the report on remuneration foreseen by Article 123-ter, paragraph 3, of Legislative Decree No. 58/98, which was approved by the Board of Directors upon the Nomination and Remuneration Committee so proposing, which contains the description of the Company's policy on remuneration for members of boards of directors, the general manager and managers with strategic responsibilities, and the procedures used for adopting and implementing this policy and which was made available to the public in the manner and time required by law;*
- *Considered that the aforementioned section of the remuneration report and the policy described therein are compliant with the provisions of the applicable legislation on the remuneration of members of the board, the general manager and managers with strategic responsibilities*

*resolves*

*to adopt the first section of the report on remuneration provided for under Article 123-ter, paragraph 3, of Legislative Decree. No. 58/98, which was approved by the Board of Directors on 25 February 2016, and which illustrates the Company's policy on the remuneration of members of boards of directors, the general manager and managers with strategic responsibilities, as well as the procedures used for adopting and implementing this policy".*

Genoa, 22 April 2016

For the Board of Directors

The Chairman

(Alistair Dormer)