

**MINUTES OF MEETING****ITALIAN REPUBLIC**

On the 19th (nineteenth) day of January 2017 (two thousand and seventeen).

In Genoa, at the offices of the "Fondazione Ansaldo - Gruppo Finmeccanica", Villa Cattaneo dell'Olmo, Corso Ferdinando Maria Perrone number one hundred and eighteen, at eight minutes past eleven.

Before me, PAOLO TORRENTE, a notary in Genoa, listed in the register of the United Notarial Districts of Genoa and Chiavari,

the following person appeared

- Alberto de Benedictis, born in Rome (RM) on the 17th (seventeenth) of May 1952 (nineteen fiftytwo), domiciled for the purpose at Via Mantovani 3-5, Genoa.

The said person, the personal identity of whom I, the notary, am certain, stated that he was acting in his capacity as Vice Chairman of the Board of Directors of the company "ANSALDO STS S.P.A." (hereinafter also referred to as the "Company" (with headquarters at Via Mantovani 3-5, Genoa, registered capital €100,000,000.00, fully paid up and divided into 200,000,000 shares of a nominal value of €0.50 each, tax identification number and registration number at the Genoa register of companies 01371160662, a company under the management and coordination of Hitachi Ltd, and

stated preliminarily

that the ordinary shareholders' meeting of the said company had been convened at this place at eleven o'clock to discuss the agenda set out hereunder.

The Vice Chairman firstly extended a cordial welcome to all participants, also on behalf of his colleagues on the Board of Directors, the Board of Statutory Auditors and Company personnel.

The Vice Chairman, hereinafter for convenience referred to as the Chairman, declared that he was chairing the meeting as Vice Chairman of the Board of Directors of the Company in question, pursuant to Article 14.1 of the Articles of Association, given the absence of the Chairman of the Board of Directors Mr Alistair John Dormer, and called on me, the notary, to draw up the minutes as an authenticated document of the meeting and asked those present whether anyone was in disagreement.

There being no expressions of disagreement, the Chairman confirmed my mandate to act as secretary to the present meeting and to draw up the minutes as an authenticated document.

The Chairman informed the meeting that the company, with the technical support of the company Chorus Call Italia S.r.l., has provided a service for the simultaneous Italian to English translation of the meeting's business. An interpreter will also provide a translation of any contributions in English.

The Chairman informed the meeting that the following are present:

- on behalf of the Board of Directors, in addition to the Vice Chairman himself, the Chief Executive Officer Andrew Thomas Barr and the directors Rosa Cipriotti, Giuseppe Bivona, Mario Garraffo and Fabio Labruna;

- on behalf of the Board of Statutory Auditors, the Chairman

Giacinto Sarubbi and the acting auditors Maria Enrica Spinardi and Renato Righetti.

The Chairman informed the meeting that the Chairman of the Board of Directors Alistair John Dormer and the directors Katharine Rosalind Painter and Katherine Jane Mingay had sent apologies for their justified absences.

The Secretary of the Board, Mr Francesco Gianni was in attendance.

The Chairman noted that the meeting was being conducted in accordance with applicable legislation, the Articles of Association and the procedural rules approved by the ordinary shareholders' meeting.

The Chairman also noted that the ordinary shareholders' meeting was duly convened at this place for the day of 19 January 2017 in a single convocation at 11 o'clock, as provided by law and the Articles of Association, by means of a notice of meeting published on 19 December 2016 on the company website, on the storage mechanism [www.emarketstorage.com](http://www.emarketstorage.com) and in abridged form in "Il Sole 24 ore" newspaper, and was announced by press release, with the following

#### Agenda

**1. Resignation of the auditing company KPMG S.p.A. and award of a new mandate for statutory audit.**

The Chairman announced that, pursuant to and within the terms of Article 126-bis of Legislative Decree No. 58/98 (hereinafter the Consolidated Law on Finance), no draft resolutions were submitted on items on the agenda, but on 29 December 2016 the shareholder Hitachi Rail Italy Investments S.r.l., in its capacity as a shareholder in the company with a holding of 50.772% of the registered capital, submitted a request for an addition to the agenda in order to insert a further item: "Liability action against the Director Mr Giuseppe Bivona pursuant to Article 2393 of the Italian Civil Code - resolutions pertaining thereto and resulting therefrom".

Accordingly, the notice of meeting was supplemented and announced to the public on 4 January 2017 by the methods indicated above for the notice of meeting and the supplemented notice was published in "Il Sole 24 Ore" with the following agenda:

**1. Resignation of the auditing company KPMG S.p.A. and award of a new mandate for statutory audit.**

**2. Liability action against the Director Mr Giuseppe Bivona pursuant to Article 2393 of the Italian Civil Code - resolutions pertaining thereto and resulting therefrom.**

The Chairman stated that the company was not aware of the existence of any shareholders' agreements between its own shareholders.

The Chairman recalled that on 3 February 2015, by deed authenticated by the notary Andrea Fusaro of Genoa - notarial index number 40736/22942, the Association of Shareholders in Ansaldo STS S.p.A. was established pursuant to Article 141 of Legislative Decree No. 58 of 1998, as indicated in the communication received by the company on 24 March 2015.

The Chairman stated that as 174 entitled persons, representing 169,580,479 shares or 84.79% of the 200,000,000 ordinary shares that make up the registered capital, were present either in person or by proxy, the meeting was validly convened in a single convocation as provided by law and the Articles of

Association and therefore may discuss and pass resolutions on the following items on the agenda.

The Chairman reserved the right to announce updated information on attendance before each vote.

The Chairman informed the meeting that the communications of intermediaries for the purposes of the participation in this meeting of entitled persons were made to the issuer by the methods and under the terms established by the relevant legislation.

The Chairman also stated that:

- as indicated in the notice of meeting, the company had appointed the trustee company Spafid S.p.A. as the designated representative for the granting of proxies and the relevant voting instructions pursuant to Article 135-*undecies* of Legislative Decree number 58 of 24 February 1998 (hereinafter the Consolidated Law on Finance) and has made the form for the granting of proxies available at the company offices and on its website;

- according to the communication received from the designated representative, no proxies were forwarded to the said representative within the legally established term by those holding voting rights.

The Chairman also stated that no applications had been made pursuant to Article 136 *et seq.* of the Consolidated Law on Finance for proxy votes at this meeting.

The Chairman informed the meeting that questions had been submitted to the company prior to today's meeting and that the company had given the relevant replies in paper form. These were made available to participants at the commencement of the meeting and therefore, pursuant to Article 127-*ter* of the Consolidated Law on Finance, they are deemed to have been given at the meeting.

The Chairman also informed the meeting that prior to today's meeting, further information on the items on the agenda was posted in the Q&A section of the company website and distributed to participants, solely for the purposes of facilitating shareholders' understanding of certain matters that occurred up to the date of the meeting.

The Chairman informed the meeting that pursuant to Articles 12.1, 13.1 and 13.3 of the Articles of Association, Article 5 of the procedural rules for shareholders' meetings, and to applicable legislation, the entitlement to attend and voting rights of those present, and in particular the validity according to law and the Articles of Association of proxies, had been verified.

The Chairman also informed the meeting that pursuant to Legislative Decree number 196/2003 (the Personal Data Protection Code), the data of participants at the meeting would be collected and processed by the company exclusively for the purposes of fulfilling mandatory obligations of the company and the shareholders' meeting.

Similarly, an audio recording of the shareholders' meeting would be made solely for the purposes of facilitating the preparation of the minutes of the meeting and of verifying what is transcribed in the minutes, as specified in the policy statement pursuant to Article 13 of the aforesaid Legislative Decree which was distributed to all participants.

He also informed the meeting that the said recording will not

be communicated or disclosed and all data, together with all audio recordings, would be kept at company headquarters, together with the documents produced during the meeting.

He reminded the meeting that pursuant to Article 6 of the procedural rules for shareholders' meetings, no recording instruments of any kind, photographic equipment, video cameras, recorders or similar devices could be brought into the meeting venue without the Chairman's specific authorisation.

Only the notary responsible for drawing up the minutes was permitted to use such equipment, for the performance of his duties.

The Chairman also stated that:

- the subscribed and paid up registered capital as of the date of this meeting was €100,000,000.00 (one hundred million point zero zero), divided into 200,000,000 (two hundred thousand) ordinary shares of a nominal value of €0.50 (zero point fifty) each;

- the shares in the company were admitted to trading on the MTA Electronic Stock Market organised and managed by Borsa Italiana S.p.A. - Star segment;

- as of the date of this meeting, the company did not hold any of its own shares;

- as of the date of this meeting, those that directly or indirectly held more than 3% of the subscribed registered capital of ANSALDO STS S.P.A., represented by shares with voting rights and as recorded in the register of shareholders, supplemented by communications received pursuant to Article 120 of the Consolidated Law on Finance and other available information, were as follows:

DECLARANT	DIRECT SHAREHOLDER	NUMBER OF SHARES	% HOLDING OF ORDINARY CAPITAL
Hitachi Ltd	Hitachi Rail Italy Investments SRL	101,544,702	50.772%
Singer Paul E	The Liverpool Limited Partnership	13,568,861	6.784%
Singer Paul E	Elliott Associates LP	505,977	0.253%
Singer Paul E	Elliott International LP	31,012,105	15.506%
Total		<u>45,086,943</u>	<u>22.543%</u>
UBS Group AG	UBS AG	12,615,949	6.308%
UBS Group AG	UBS Asset Management Trust Company	4,003	0.002%
Total		<u>12,619,952</u>	<u>6.310%</u>

The Chairman informed the meeting that the company was subject to the management and coordination of Hitachi Ltd.

He reminded those present that shares for which the following reporting requirements have not been fulfilled could not exercise their voting rights:

- as established in Article 120 of the Consolidated Law on Finance concerning shareholdings of over 3%;

- as established in Article 122, first paragraph, of the Consolidated Law on Finance concerning shareholders' agreements.

The Chairman also reminded the meeting that with respect to the reporting obligations laid down in Article 120 of the Consolidated Law on Finance, shares for which the relevant voting right was exercised by proxy were considered shareholdings,

provided that the said right could be exercised on a discretionary basis without any specific instructions from the delegator.

The Chairman invited those present to declare any lack of entitlement to vote.

The Chairman acknowledged that all obligations established by applicable legislation and regulations had been duly fulfilled with respect to items on the agenda.

In particular, the following documents had been made available at the registered office, on the company website at [www.ansaldo-sts.com](http://www.ansaldo-sts.com), and through the storage mechanism [www.emarketstorage.com](http://www.emarketstorage.com):

- on 19 December 2016: an explanatory report by the Board of Directors, compiled pursuant to Article 125-ter of the Consolidated Law on Finance, together with the proposal of the Board of Statutory Auditors on the appointment of a new Statutory Auditor, compiled pursuant to Article 13, paragraph 1, of Legislative Decree No. 39/2010;

- on 4 January 2017: an explanatory report produced by Hitachi Rail Italy Investments S.r.l. on the request for addition to the agenda and the related documentation;

- on 12 January 2017: with respect to the 2nd point on the agenda, a supplement to the documentation published on 4 January 2017 following a request received by the company on 12 January 2017 by the shareholders Elliott International L.P., The Liverpool Limited Partnership and Elliott Associates L.P.

Finally, the Chairman stated that on 18 January 2017, following a request by Consob - the Italian National Stock Exchange Supervisory Commission, the company also deposited further information on the 2nd point on the agenda at the registered office and posted it on the company website at [www.ansaldo-sts.com](http://www.ansaldo-sts.com) and on the storage mechanism [www.emarketstorage.com](http://www.emarketstorage.com).

The said documentation would be appended, as a substantive and integral part thereof, to the minutes of the meeting.

Furthermore, all the documentation listed above had been distributed to participants at this meeting.

Finally, he informed the meeting that the following items would be appended as a substantive and integral part of the minutes of the meeting and made available to all holders of voting rights:

- a list of the names of participants at the meeting, on their own behalf or by proxy, complete with all the details required by Consob, with an indication of the number of shares for which the communication from the intermediary to the issuer had been made pursuant to Article 83-sexies of the Consolidated Law on Finance;

- a list of the names of those that had voted in favour, against, or had abstained or left before the vote and the relevant number of shares represented on their own behalf and/or by proxy.

A summary of interventions, indicating the names of the speakers, the responses given, and any replications would be contained in the minutes of this meeting.

The Chairman announced that in order to meet the technical and organisational requirements of the meeting's business, some company employees and contractors had been admitted to the meeting, as provided for in Article 3 of the procedural rules for shareholders' meetings, to assist him during the course of

the meeting.

The Chairman also informed those present that pursuant to Article 3 of the procedural rules, some accredited journalists had, with his consent, been permitted to attend the meeting, without any right to speak, including by means of closed circuit television link.

Before moving on to a discussion of the items on the agenda, the Chairman reminded participants that pursuant to Article 9 of the procedural rules, the persons entitled to exercise voting rights could request permission to address the meeting once only on each of the items for discussion, by submitting a written request indicating the agenda item to which their question referred. They would be able to exercise their right to address the meeting after the Chairman had read out the relevant item and until the Chairman had declared the discussion on the item to which the question referred to be closed.

The Chairman invited those entitled to exercise voting rights to submit requests for permission to address the meeting to the secretary's office by using the relevant forms they received at registration, together with a copy of the procedural rules and the documentation on items on the agenda.

He would grant leave to speak according to the chronological order in which the applications were submitted.

Entitled persons would be called to speak and could only do so from the podium located beside the Chairman's table.

Pursuant to Article 11 of the procedural rules, the maximum duration of each intervention was ten minutes, at the end of which he would be able to invite the speaker to conclude their intervention within the following two minutes.

As provided in Article 9 of the procedural rules, directors and statutory auditors of the company could request permission to address the meeting. Also, if the Chairman deemed it appropriate, directors, statutory auditors and executives of the company and of other Group companies could also address the meeting.

As provided in Article 11 of the procedural rules, any responses would have to be of a duration of no longer than two minutes.

On the conclusion of all the interventions on each item for discussion, responses to questions raised would be given, if necessary following the suspension of the business of the meeting for a limited period of time.

As provided in Article 10 of the procedural rules, the Chairman could respond directly to questions or invite other Directors or Statutory Auditors to do so.

The Chairman stated that due to the requirements of orderly progress of the meeting, wireless connection systems and mobile telephones could not be used inside the meeting venue.

Finally, the Chairman announced the methods for technical management of the business of the meeting and voting, pursuant to Article 16 of the procedural rules.

Voting on items on the agenda would take place using a remote-control device called a "televoter". The instructions for this device were in a file provided to participants.

On the other hand, voting on the methods of conducting the business of the meeting would take place by a show of hands. Those who voted against or abstained were obliged to give their name and the number of shares they represented on their own behalf and/or by proxy for recording in the minutes.

At the time of registration for entry to the meeting, each participant received a "televoter" which showed on its display screen the identification data of the participant and the votes that they could cast at this meeting, on their own behalf and/or by proxy.

The televoter was strictly for personal use and would be activated immediately prior to voting.

At opening of voting, the voter would have to cast their vote by pressing only one of the buttons on the remote-control device respectively marked:

*favorevole* [in favour]

*contrario* [against]

*astenuuto* [abstain]

once an option had been selected, it had to be confirmed by pressing 'OK'.

Voters would be able to rectify their voting intention up to the moment the 'OK' button was pressed.

Once the 'OK' button was pressed the vote could not be changed and would be visible on the display screen of the remote-control device until voting was concluded.

Those that did not cast any vote would be considered as non-voters.

The Chairman called on those who did not intend to be included in the formation of the basis for calculation of the majority to leave the venue before voting commenced, indicating their departure by the methods indicated.

A vote could not be validly cast until the voting procedure has opened.

In the event of technical problems with the "televoter" devices, participants should contact the support personnel at the relevant support points.

These instructions on voting methods applied to all participants, with the exception of entitled persons that intended to cast their votes diversely in the context of all the shareholdings that they represented. Such persons were required to vote with the assistance of the relevant voting support point. Voters could verify the correct registration of their vote at voting support points.

Voting on single items on the agenda would take place when the discussion on the item in question had concluded.

Participants at the meeting were asked not to leave the venue until votes had been counted, the result of voting had been announced, and the processes had therefore concluded.

The Chairman acknowledged that the counting of votes would be performed by the notary with the assistance of personnel of Spafid, the company engaged to assist in the registration of admissions.

The Chairman gave the floor to the Chairman of the Board of Statutory Auditors, Mr Giacinto Sarubbi, who had asked to address the meeting and who made the following statement:

"I sought permission to speak in order to read out the response of the Board of Statutory Auditors to a complaint pursuant to Article 2408, but also to give a report on the matter concerning the Board which has deeply saddened it and which appears to be unjust, in view of the huge effort and volume of work that the Board of Statutory Auditors has undertaken during the extraordinary situation of recent months. Therefore, with the Chairman's permission, I will refer firstly to the

part concerning 2408 and then ... that said ... first of all good morning to everybody, excuse me. On 23 November 2016 Elliott International L. P. Liverpool Limited Partnership/Elliott Associates L.P., jointly Elliott, a shareholder in Ansaldo STS which on 23 November 2016 had declared that it held a total of 21.626% of the registered capital of Ansaldo, sent a complaint to the Board of Statutory Auditors of Ansaldo STS, raising some matters related to the administration of Ansaldo STS and its corporate governance structure. The complaint was made pursuant to Article 2408 of the Italian Civil Code. With respect to this situation, the Board of Statutory Auditors wishes to point out that the said complaint must be made in the context of the provisions of Article 2408, paragraph 2 of the Italian Civil Code, which states that in the event that a complaint is made by shareholders representing at least one fiftieth of the companies that have recourse to the risk capital market, the Board of Statutory Auditors must immediately investigate the events complained of and submit its conclusions and any proposals to the shareholders' meeting. Before going into the merits of the complaint, the Board believes it is worth recalling that the matters raised in paragraph 4 of the complaint have already been fully dealt with in the proposal of the Board of Statutory Auditors to the ordinary shareholders' meeting for the award of a new mandate for the statutory auditor of the accounts for the period 2016-2024 and for the determination of the relevant fee, which was in the explanatory report of the Board of Directors produced pursuant to Article 125-ter of Legislative Decree 58/1998 and was published on 19 December 2016, prior to the ordinary shareholders' meeting called, in a single convocation, for today, 19 January 2017, to which we refer in full. Furthermore, the Board of Statutory Auditors wishes to point out that pursuant to applicable legislation, it is required by law to adopt a position on whether the facts that the complainant considers worthy of censure and therefore denounces, are indeed reprehensible. It follows therefore that the Board of Statutory Auditors, in this report, has followed up only on the content of this complaint, and not the letter appended to the complaint dated 14 June 2016 and sent, *inter alia*, to the Board of Statutory Auditors by Elliott Advisors (UK) Limited, which the latter did not indicate was a complaint pursuant to Article 2408. It should however be clarified that part of the matter mentioned in those letters were dealt with in this document, while the remaining issues were studied and analysed by the Board of Statutory Auditors, which subsequently reported on them to the Board of Directors or the supervisory bodies, as relevant. The Board believes it has a duty to examine the reports it received, provided that they are not specious and without foundation. However, it wishes to stress that it is the Board of Directors, the shareholders' meeting, the supervisory body or Consob, as the case may be, that are the recipients of its findings. This means that, for obvious reasons of fairness and transparency, any improper direct dialogue with directors and shareholders is excluded. According to the legislation cited, it is the duty of the Directors, not the Board of Auditors, to process requests for information on management issues or matters that do not come within the powers conferred by law on the Board of Auditors, except where they may involve



irregularities. This stated as a preliminary, the Board of Statutory Auditors wishes to affirm as follows:

Point 1) with respect to the matters contained in the complaint concerning the appointment of Mr Alberto de Benedictis as Vice Chairman of the Board of Directors, Elliott requested that the Board of Statutory Auditors immediately carry out with maximum diligence all the most suitable and appropriate verifications to verify whether Mr de Benedictis possesses the relevant independence requirements, and to take the consequent action if it is confirmed that he fails to meet the said requirements. It should firstly be recalled on this matter that the Board of Directors, by resolutions dated 16 May 2016 and 11 July 2016, adopted by a majority decision - 5 in favour, 3 against and 1 abstention (by the person concerned) concluded that Mr de Benedictis possessed the independence requirements established respectively both by the Consolidated Law on Finance and the Corporate Governance Code. In particular, the latter resolution was adopted following observations made by some independent directors, and was followed by a note of clarification by the person concerned, and on the basis of a legal opinion commissioned by the company and provided by Prof Umberto Tombari, dated 6 July 2016, which concluded that Mr de Benedictis met the independence requirements. The Board of Statutory Auditors nevertheless sought a further in-depth analysis of the question during the meeting of the Board of Directors of 27 July 2016, in view of the various important roles played by the director in question within the Ansaldo Group. The legal opinion given by Prof Piergaetano Marchetti, which was commissioned by the Board of Auditors and issued on 4 July 2016, submitted to the Board of Auditors meeting of 21 July 2016, and reported to the aforementioned meeting of the Board of Directors of 27 July, raised some doubts as to whether Mr de Benedictis met the independence requirements established by the Corporate Governance Code. In this context, also given the time that had elapsed (four months since the issue was raised by the Board of Statutory Auditors) the Board of Statutory Auditors, through its Chairman, requested on 21 July 2016 that the Chairman Mr Dormer include a specific item concerning the examination of the independence requirements of Mr de Benedictis on the agenda for the Board of Directors meeting of 24 November 2016. When this request was not acted on, the Board of Statutory Auditors requested that the Chairman, Mr Dormer, pursuant to Article 27.5 of the Ansaldo Articles of Association, convene a meeting of the Board of Directors by 21 December 2016 to discuss whether Mr de Benedictis met the independence requirements and with a warning that failing this, the Board of Statutory Auditors would report this fact to Consob - the Italian National Stock Exchange Supervisory Commission, pursuant to Article 149, paragraph 3, of the Consolidated Law on Finance. On 19 December 2016, the Board of Directors was called on to adopt a resolution on this matter and a majority: 5 in favour, 3 against, and the abstention of the person concerned, supported a motion affirming that the director Mr de Benedictis did indeed meet the independence requirements. Prior to this meeting of the Board of Directors, the company sought a new opinion on the matter from Prof Carlo Angelici, which was issued on 12 December 2016, again confirming that the independence requirements in question had been met. For the purposes of completeness, it should also be noted that

on the afternoon of 18 December 2016, the director Mr Bivona sent all members of the Board of Directors and the Board of Statutory Auditors an opinion by Prof. Mazzoni, which concluded that attention be focused on the position of Mr de Benedictis. The opinion states: "and with regard to conduct, [my evaluation is] as follows: the actual conduct of Mr de Benedictis, as well as that of the directors that with him are an expression of Hitachi, render the assessment of his non-independence credible". The Chairman Mr Dormer decided not to include this opinion in the records of the Board of Directors as it was submitted after the deadline and in Italian only, and therefore could not have been considered by all of the directors. He did, however, did provide a summary of it to the director Mr Bivona during the Board meeting. The Board of Statutory Auditors also wishes to state on this matter that the independence requirements established in the Ansaldo Articles of Association are those laid down by law in Article 148, paragraph 3 of the Consolidated Law on Finance, but that Ansaldo STS also adopts self-regulating principles by adhering to its Corporate Governance Code. The Board must in all cases adequately explain the criteria used to assess the significance or otherwise of the director's previous positions or previous relationships, although it considered him independent both in the press release and in the annual corporate governance report pursuant to Article 3.C.4 of the Corporate Governance Code. This type of disclosure does not appear to have been adequately satisfied by the press release dated 19 December 2016, nor by the post-appointment announcement of 16 May 2016, in which it simply affirms that he is independent. For its part, also by producing the aforementioned opinion, the Board of Statutory Auditors disclosed aspects such as his previous relations with important companies of the Finmeccanica group, which was the legal predecessor of Hitachi. This led to doubts as to the independence of Mr de Benedictis according to the requirements of the Corporate Governance Code. However, the Board of Statutory Auditors does not possess the final version of the minutes of the meeting of the Board of Directors on 19 December 2016, or the final versions of other previous meetings of the Board of Directors. In this regard the Board of Statutory Auditors hopes that such documents will be produced more promptly. The Board of Statutory Auditors confirms that the conduct of the Chairman Mr Dormer was worthy of censure in not promptly re-submitting the matter of whether the director met the independence requirements for the consideration of the Board of Directors. Moreover, in its communication it also pointed out that the opinion given by Prof Alberto Mazzoni, which was produced by the Director Mr Bivona, could have been formally included in the documents of the Board meeting, given that Mr Bivona was given an opportunity to provide a summary of it during the Board meeting. It also believes that the criteria used to assess the position of Mr de Benedictis had not been explained sufficiently in the aforementioned disclosure and requested that the Board, which in the final instance is responsible for assessing his independence, to provide an analytical report on the matter and the procedures used for its assessment in terms of corporate governance.

Point 2) with respect to the complaint concerning the establishment of the Bid Committee, Elliott asked the Board of

Statutory Auditors to immediately carry out all the necessary enquiries and investigations and take the consequent measures, and also to assess whether the decision-making processes of the tender were or are conducted rigorously and in strict compliance, *inter alia*, with the obligations established in Article 2391 of the Italian Civil Code and legislation on transactions with related parties. In this regard the Board of Statutory Auditors wishes to specify that at the meeting of the Board of Directors of Ansaldo STS dated 24 November 2016, including in the light of documentation that was received and examined during the said meeting, insofar as it is competent and with respect to the appointment of a Bid Committee during the Board meeting of 28 November 2016, it confirmed that pursuant to Article 2381 of the Italian Civil Code and Article 24 of the Articles of Association - which has been in place since Ansaldo STS was listed - that the Board of Directors may appoint an Executive Committee, obviously in addition to the committees within the Board of Directors provided for in the Corporate Governance Code and as provided in Article 24.3 of the Articles of Association of Ansaldo STS. No generic reference is made to the power to appoint other committees vested with management powers. At that meeting, the Board of Statutory Auditors invited the Board of Directors to state its position on the matter in order to clarify whether the committee appointed on 28 October 2016 is to be understood as an Executive Committee, or whether to defer the appointment as no provision is made for it in the Articles of Association. The Board of Statutory Auditors stresses that following that request, at its meeting of 24 November 2016 the Board of Directors reconfirmed by a majority the establishment of an Executive Committee consisting of three Directors: the Chairman Mr Dormer, the Chief Executive Officer Mr Barr, and the Director Ms Mingay, and approved the relevant regulations. Accordingly, the Board of Statutory Auditors believes that the establishment of the Committee was in accordance with the provisions of the Articles of Association and specified that it is not within the competence of the Board of Statutory Auditors to assess the strategic value of the powers to be attributed to the Committee, obviously provided that the powers granted to the Executive Committee do not transgress the functions assigned by law to the Board of Directors. This applies without prejudice to the Board of Directors' continuing duty to supervise, which is to be understood as a right of the Board of Directors to be promptly informed of the workings of delegated bodies. It also applies with respect to procedures in place for the protection of specific requirements such as, for example, those related to transactions with related parties. In this respect, the Board of Statutory Auditors, within the limits of its own powers, does not believe that it currently has any criticism to make of the application of the related parties procedure, it being understood that the Board of Statutory Auditors, in view of the characteristics of the corporate structure of Ansaldo STS and the specific details of tender procedures, invites the Board of Directors, insofar as it is competent and including through the Executive Committee, to demonstrate the utmost transparency of information regarding tenders in which the Ansaldo STS Group participates, particularly in cases in which, in such processes, there emerge matters related to transactions with related parties.

Point 3) with respect to the questions raised in the complaint made about the termination of the employment relationship between Ansaldo STS and the CFO Mr Roberto Carassai, Elliott invited the Board of Statutory Auditors to investigate why the public disclosure of important price-sensitive information, such as in this case, the departure of a top manager directly vested with important tasks and responsibilities regarding the company's accounting documents, was delayed for so long. The signing of the termination agreement was consensual: it is said to have taken place on 19 October 2016, while the relevant press release was only issued only the following 28 October.

A) verify whether the timescales and methods of formalisation were in accordance with applicable law and regulations.

B) verify whether Mr Carrassai was or will be given a redundancy package and if so, in what amount.

In this regard the Board of Statutory Auditors believes that it should firstly be pointed out that it carried out the most thorough analysis within its powers of the termination of the employment of the CFO Mr Roberto Carrassai, even meeting with Mr Romano - the current head of human resources of Ansaldo and with Mr Carrassai himself. In particular, following the said analyses, the Board of Statutory Auditors learned as follows: the private agreement for consensual termination of his employment was signed between Mr Carassai and Mr Romano on 19 October 2016.

The decision to cease Mr Carassai's employment with Ansaldo STS was taken by his own free will, as he considered that the future strategies of the Group would have to involve a re-thinking of the role of the CFO and that therefore the most coherent course of action would be to leave.

Although no provision was made for it in the private agreement, Mr Carassai confirmed that he would remain with the company until the end of February 2017. It is expected that the private agreement will be approved by the final date of cessation of his employment, which is set for 28 February 2017.

The total sum to be paid to Mr Carassai includes the value attributed to the non-competition clause of the agreement, which has a term of 10 months from the date of cessation of his employment.

The Board of Statutory Auditors wishes to state as follows with regard to the timeframe indicated above: although Article 3.13 of the Rules of the Board of Directors leaves room for interpretation of the question of entitlement to approve consensual terminations of employment for executives reporting directly to the Chief Executive Officer, as the rule makes reference only to the recruitment, promotion and dismissal of such executives but not to consensual termination, and Article 23 of the Articles of Association of Ansaldo STS, in line with the provisions of Article 154-*bis* of the Consolidated Law on Finance, refers only to the appointment, not the cessation, of employment of the executive to the Board of Directors, the Board of Statutory Auditors believes that the direct involvement of the Board of Directors would at least have been appropriate.

It should be added that in the event that it was decided that the Board of Directors is not entitled to perform this function, in any case the Board of Statutory Auditors believes that it would have been preferable if the report was made to

the Board of Directors and the Board of Statutory Auditors itself. as the Chairman's first announcement at the Board meeting of 28 October 2016, in any case prior to the approval of the quarterly figures.

Although the provisions on the minimum content of press releases concerning - *inter alia* - the cessation of employment of key managers does not indicate at what moment the communications must be made public, the Board of Statutory Auditors specifies that on the basis of the Ansaldo STS procedure for the management and disclosure of privileged and confidential information, resignations - and this must be deemed to include consensual terminations - from key roles in the company must be considered in general terms as privileged information and therefore is to be disclosed to the market as soon as possible, subject to application of the delay procedure. Although the procedure does not specify when the communication must be disclosed to the market - i.e. at the time of its signature, the moment the Board of Directors becomes aware of it - or the date of the actual cessation of employment, the Board of Statutory Auditors believes it is reasonable for the moment of disclosure to coincide with the Board of Directors' approval/acknowledgement of termination of the employment relationship. It follows therefore that, without prejudice to the above, the disclosure to the market of the signing of the private agreement on the conclusion of the meeting of the Board of Directors on 28 October 2016, during which the Board of Directors and the Board of Statutory Auditors were made aware that said agreement had been signed, can be seen as compatible with what was discussed by the Board and in any case justifiable in terms of the deadline for disclosure. These are the views of the Board of Statutory Auditors on 2408".

Addressing the Chairman, Mr Giacinto Sarubbi stated that he wished to move on to the matter concerning the Board of Statutory Auditors which had requested by some participants. Indicating that he would return to speak in relation to the second item on the agenda, he addressed the meeting as follows:

"in previous Board meetings, some minority Board members raised the question of adjustment of the remuneration of the Chairman of the Board of Statutory Auditors, in view of the enormous efforts made and the complexity of the issues that he was obliged to face. The Chairman Mr Dormer said that this matter would be examined after the shareholders' meeting convened to approve the financial statement for 2015. The issue was included on the agenda for the meeting of the Board of Directors on 28 October 2016 with the relevant fact sheets, but as the independent minority shareholders had ceased to hold office, the matter was incorrectly indicated as a request by the Chairman of the Board of Statutory Auditors himself. During the meeting of the Board of Directors held on 28 October 2016, the Chairman of the Board of Statutory Auditors specified that it was not his request, that he was not seeking anything, and that he did not intend to accept any increase in his fees that may be resolved on a proposal of the Board of Directors at the shareholders' meeting. He merely wished that the strong commitment made in an extraordinary situation by the Board of Statutory Auditors, and by its Chairman in particular, be acknowledged. In the event that the Board, acknowledging his statements, nevertheless independently decided to donate, as a company, a sum to charities, he suggested that

the Board independently select two charities operating in the area in which Ansaldo STS operates, in order to avoid any exploitation of the situation. Given that the final version of the minutes is still not available, as far as I recall .... excuse me Bivona, I'm trying to remember what was discussed ... so I remember that Mr Bivona made a series of comments on the matter, and in particular that it wasn't a kind of bonus to be added from time to time, but an adjustment to the fee, part of which may be for the other auditors; the initial resolution was not acted upon, but a new resolution to proceed with charities was adopted under any other business. That in summary was Mr Bivona's intervention. He was absolutely in favour of a payment to charity, together with recognition of the extraordinary workload of the Board of Auditors and its Chairman in particular, to recognise once again our appreciation for the work done. After hearing the contribution of the Chairman of the Board of Statutory Auditors, the Board of Directors unanimously resolved to proceed to make a donation to two charities suggested by the Chairman of the Board of Statutory Auditors. On 3 November 2016, Mr Bivona once again wrote to the Board of Statutory Auditors, pointing out 14 potential irregularities in various matters, but saying nothing of the resolution of 28 October on the matter in question, confirming his appreciation for the work of the Board of Statutory Auditors and its Chairman in particular. On 7 November 2016, Mr Bivona sent the Chairman of the Board of Statutory Auditors a letter which he indicated was personal, raising a series of objections to the methods and the merits of any request for a supplement to the fees of the Chairman of the Board of Statutory Auditors, and in particular to his lack of independence, following the request for an increase in fees which was improperly attributed to the Chairman himself.

On 11 November 2016, Mr Bivona sent an official letter, with a copy to Consob and to the Public Prosecutor's Office, in which he raised a series of matters on various subjects, including the adjustment of the fees of the Board of Statutory Auditors. He made a series of comments and requests for clarification, to which the Board of Statutory Auditors responded by letter dated 24 November. In its response, the Board provided the requested clarifications, and explained that: the size and complexity of the work had been acknowledged by Mr Bivona himself and by other shareholders during the meeting convened to approve the financial statements for 2015; that neither the Board of Statutory Auditors or its Chairman had made any request for an adjustment; that even if it had, it would have been a legitimate exercise, to this end citing as an example what had recently taken place at the shareholders' meeting of Finmeccanica, where the request of the Board of Auditors was even endorsed by the Ministry of Economy and Finance. Two mails received from the Chairman of the Board of Statutory Auditors were appended at his request. The senders were former independent directors elected on the minority list, as Mr Bivona had requested proof of the statements of the Chairman of the Board of Statutory Auditors during the meeting of the Board of Directors on 28 October 2016, in which they stated ... that they had continued with the request for a fee adjustment, in view of the extraordinary work performed by the Board of Statutory Auditors and by its Chairman in particular. On 4 December 2016, Mr Bivona sent the Board of Statutory Auditors

a further communication on the matter, in which he disagreed with the explanations provided by the Board of Statutory Auditors and made a series of allegations, in particular asserting that the documents produced for the Board of Directors were not consistent with statements made to the Board of Auditors, disputing the temporal consistency of the statements of the said former independent directors, and asserting that the Finmeccanica case was irrelevant. He concluded his letter by asserting that the request, even if it was made by the preceding director, was evidence of a lack of propriety. Finally, he asked the Chairman Mr Dormer to place the revocation of the resolution on the agenda for the next meeting of the Board of Directors.

On 16 December 2016, the Board of Statutory Auditors again responded to Mr Bivona, asserting that no request had been made by the Chairman of the Board of Statutory Auditors, and that the temporal coincidence of the issue of the statements by the two ex-independent directors was obvious and consequent to the request by Mr Bivona himself in his previous communication of 11 November. The Board of Statutory Auditors confirmed that even if the application had been made, from a purely legal point of view it would be legitimate. Finally, the Board of Statutory Auditors specified that if the Board of Directors had so wished, it could have revoked the resolution adopted on 28 October. On 19 December 2016, with the sole vote against of Mr Bivona, the Board of Directors confirmed the resolution it had previously adopted.

On 30 December 2016 Mr Bivona raised a series of objections in relation to the matter. He asserted that in his view, the documentation and the entire Board discussion had been quite different to what was indicated in the simple, artfully cited extracts. At this point the Board of Statutory Auditors decided not to continue with the communications while it awaited the final copies of the minutes of the meetings of the Board of Directors. In any case, in the face of an interpretation of the matter that in its view was wholly inappropriate, the Board of Statutory Auditors, although believing its own conduct and the resolutions of the Board of Directors to have been entirely legitimate, in order to avoid any exploitation of the situation, asked the Chairman Mr Dormer to defer any measure that may be even remotely related or attributable to the Board of Statutory Auditors and/or its President, however totally specious or unjustified. Thus the Board of Statutory Auditors deemed the matter to be closed, although reaffirming its intention to defend the propriety of its actions in every way. The Board of Statutory Auditors. Thank you".

The Chairman thanked the Chairman of the Board of Statutory Auditors Mr Giacinto Sarubbi for his contribution and indicated that he was moving on to the first item on the agenda:

"1. Resignation of the auditing company KPMG S.p.A. and award of a new mandate for statutory audit."

The Chairman reminded those present that the matter was discussed in the report of the Board of Directors and in the justified proposal of the Board of Statutory Auditors, documents which had been distributed to participants and which had already been made available to the public by the methods and according to the terms established in applicable legislation.

In fact, with respect to the resignation, received on 14 November 2016, of the auditing company KPMG S.P.A., which, fol-

lowing the Hitachi Group's acquisition of control over the company, decided that situations capable of compromising its independence pursuant to Article 6 of Ministerial Decree 261/2012 could arise, the company immediately convened a shareholders' meeting to award a mandate to another auditing company in order to comply with the legislative requirement for continuity in auditing work.

The Chairman pointed out that in this regard the Board of Statutory Auditors had recognised that the mandate was to be granted for the consolidated and separate financial statements as at 31 December 2016 in order to avoid possible effects on the content of the relevant opinion pursuant to Article 14 of Legislative Decree No. 39/2010 that KPMG S.p.A. would be obliged to give if the mandate was not granted to another auditing company for those statements also.

The board of Statutory Auditors had also taken into account the wish of the controlling shareholder Hitachi Rail Italy Investments S.r.l. regarding the award of the audit mandate to the company that audits its own accounts. Accordingly, pursuant to Article 13 of Legislative Decree No. 39 of 2010, it had made its own reasoned proposal for the new mandate for the statutory audit of the accounts for the period 2016-2024 and for the determination of the related consideration.

Therefore the Chairman submitted the following draft resolution to the meeting on this agenda item, which was wholly consistent with the proposal contained in the report of the Board of Directors that implemented the Board of Statutory Auditors' proposal to the meeting:

"Dear shareholders,

In accordance with the proposal formulated by the Board of Statutory Auditors, pursuant to Art. 13, paragraph 1 of Legislative Decree No. 39 of 27 January 2010, it is proposed that the shareholders' meeting award the independent auditing mandate for Ansaldo STS for the years 2016-2024 to Ernst & Young, under the conditions indicated in the offer submitted by that same auditing firm dated 26 October 2016, minus the sum relating to the activities undertaken by the previous auditor, as follows:

- for the first three-year period of activity, the payment of a sum for each year of €660,333.00 except for activities relating to 2016, for which the maximum amount due shall be €554,000.00;

for the second three-year period, the payment of a fee for each year of €604,205.00;

for the third three-year period, the payment of a fee for each year of €598,163.00.

Thus the total fees for all nine years amount to €5,481,770.00".

The Chairman opened the matter for discussion, reserving the right to respond to any questions on conclusion of each intervention.

In order to moderate the discussion more effectively, the Chairman invited those that intended to speak to kindly give the intervention request form that they received for this agenda item on registration to the secretary's office.

The Chairman invited Mr Matteo Pratelli, in representation of the shareholder Elliott Associates L.P., to take the podium on the left for his contribution.

Mr Matteo Pratelli addressed the meeting in representation of



the shareholder Elliott Associates L.P. and stated as follows:  
"In representation of the shareholder Elliott Associates LP, and also giving a prior indication of the voting stance of all the Elliott funds that have holdings in the company, let me firstly state that it is the view of the Elliott funds that the majority shareholder in the company - I refer to Hitachi Rail Italy Investments Srl - is in an ongoing state of non-entitlement to vote, due to its violation of its legal obligations regarding mandatory takeover bids. I believe that you are familiar with the matter and all it entails in terms of the validity of resolutions that may be adopted today with the casting vote of the controlling shareholder. On the agenda item that we are discussing now, the funds have observed that the resignation of KPMG and the consequent need to appoint a new auditing company after the close of the financial year is yet another example of an anomaly and a lack of transparency of the corporate governance of Ansaldo STS. As we were reminded by the Chairman of the Board of Statutory Auditors, the Elliott funds had sought an investigation by the supervisory body on this point and in late November submitted a complaint pursuant to Article 2408. We have to say that - after reading the report of the Board of Directors on this agenda item and the proposal of the Board of Statutory Auditors which is cited in response to the complaint pursuant to Article 2408 of the Civil Code - unfortunately, the fears and concerns that led to the complaint have only been confirmed rather than dispelled. In particular, I think the documents that the company has published clearly show that KPMG's resignation is not so much the result of an independent decision by KPMG itself on its supervening lack of independence, which the audit firm individually concluded was the case over a year after Hitachi's acquisition of control of the company because, we should recall, that Hitachi has been in de facto control of the company at least since November 2015. In fact, this resignation stems from an explicit request by the controlling shareholder. We read in the proposal of the Board of Statutory Auditors that on 16 May 2016 - i.e. only three days after the new Board of Directors with a Hitachi majority took office - that the Board of Statutory Auditors had invited the Board of Directors to replace KPMG with the auditor of its own group, E&Y. So far, there is nothing wrong with that, because it' is true, it is common practice to use the same external auditor for various companies of the same corporate group. But it is a shame that - as we are now used to seeing with this administration - the matter was not dealt with and managed with the transparency and professional care that one would expect in a listed company, particularly this one, in which half, or nearly half, of its capital is held by minority shareholders. In fact, a confusing succession of events emerges from the proposal of the Board of Statutory Auditors and the chronology in that proposal: first, Hitachi's request to the Board, then a proposal for consensual termination of the audit mandate; then a rejection of this proposal for consensual termination on the grounds of insufficient information having been provided by KPMG - on what it is not clear - and concluding, as if by magic, with the resignation of KPMG, justified by its sudden discovery that it is not independent of Hitachi. The Elliott funds have no hesitation in defining this situation as disheartening and the information provided by the company on

the matter as unsatisfactory. In the latter respect, we can read in the letter of E&Y dated 29 November 2016, which is appended to the proposal of the Board of Statutory Auditors and therefore is present in the documentation provided, that E&Y itself currently has some assignments - and I quote - "that would not be compatible with a role as independent auditors to ASTS". Moreover, E&Y formally undertook to eliminate any causes/situations of incompatibility as soon as possible, in all cases by 31 December 2016, but as of today the company has not acknowledged, even in the Q&A that it distributed and which was posted on the website on 16 January last, whether E&Y has actually removed the obstacles to its acceptance of the audit mandate. Although obviously the Elliott Funds that I represent do not doubt the professionalism of a leading company such as E&Y, for the reasons I have just described, I wish to announce the abstention of the Elliott Funds, not just the fund that I represent, on the first item on the agenda. Thank you".

The Chairman thanked Mr Matteo Pratelli.

The next speaker to take the podium was Carlo Maria Braghero, who stated as follows:

"Thank you Mr Chairman, good morning to all of you. At this stage my contribution is superfluous because I actually intended to focus on item 2 of the Ernst & Young letter, which the Elliott funds have already raised, so I also wish to know whether these objections, these incompatible assignments, continue exist or not. I will nevertheless allow myself, Mr Chairman, to make two observations: the first with respect to the revocation ... or rather the resignation, if you prefer. It is truly laughable that a year after the fact, KPMG found out that the payments made in the Czech Republic are incompatible, in conflict with the independence of its audit ... it's really the stuff of science fiction. It speaks volumes about the degree of arrogance that the majority shareholder of this company continues to show. Secondly, on a matter that is entirely unrelated, but which I personally believe to be very important - I wish to express my fullest and most convinced solidarity with the Board of Statutory Auditors on the daunting task that the Board been called on to perform and which it is fulfilling with absolute professionalism; I thank you".

The Chairman thanked the shareholder Mr Carlo Maria Braghero.

The Chairman gave the floor to the Chairman of the Board of Statutory Auditors, Mr Giacinto Sarubbi, who addressed the meeting as follows:

"Firstly, I thank you. We met with the auditing company, as we had met with KPMG, the audit company confirmed to us that the final date is 31 December, so they have certainly renounced any ongoing assignments, but naturally a further verification will be carried out. However, we can carry out a verification in real time. During our meeting we were assured that they had immediately begun to give up the work that they were obliged to give up, and that 31 December was the final date. If you wish, we can stop for a minute, we can verify it and have a vote. In that way the matter would be more straightforward. For the sake of greater clarity, if the Chairman is in agreement".

The Chairman suspended the proceedings at twelve twenty hours in order to carry out the said verification.

At twelve hours and thirty-five minutes the Chairman declared that the meeting was once again in session.

The Chairman announced that there were still 174 persons entitled to vote on their own behalf or by proxy, representing 169,580,479 shares, amounting to 84.79% of the 200,000,000 (two hundred million) shares that make up the registered capital.

In response to the question put by shareholders, the Chairman stated as follows:

"To respond to the question, as indicated in the letter to the Board of Statutory Auditors dated 29 November 2016, Ernst & Young has a system for monitoring and verifying independence that obviously does not allow it to accept any type of assignment anywhere in the world that could - even only potentially - compromise its independence. Consequently, its independence is guaranteed not only vis-à-vis the Hitachi group, but to all its audit clients throughout the world. Furthermore, E&Y has already renounced the assignments it previously performed for the Hitachi Group; E&Y has confirmed that there are no assignments that could even only potentially affect its independence; obviously the mandate is in the process of being formalised. I would also like to add, with regard to KPMG, that it was KPMG that resigned, there was no request from the company or by the shareholder Hitachi for KPMG to do so. I would also remind you that the Board meeting held on 28 October unanimously resolved not to terminate the relationship with KPMG, precisely because it was believed that termination was not the right thing to do at that time, but after the Board had taken that stance, KPMG decided to hand in its resignation. Finally, a small clarification on the issue, for the purposes of clarity: the company believes that the termination of the CFO's employment is not price-sensitive information, since the CFO is not a member of key management as defined in the corporate organisation structure.

Mr Gianpiero Succi then took the podium in representation of the shareholder The Liverpool Limited Partnership, and stated as follows:

"Just a clarification on the basis of your response, because sincerely I can't agree with it. Excuse me, good morning everyone, I'm Gianpiero Succi, and I represent the shareholder called The Liverpool Limited Partnership. If I understood correctly, he said that there was no request to KPMG to step aside; but I've just been leafing through the Board's report ...."

There followed an exchange of words between the Chairman de Benedictis and Mr Succi that is transcribed below:

de Benedictis: I said that the Board resolved unanimously not to demand the resignation of KPMG, I did not say KPMG asked to leave ...

Succi: ... no, but excuse me. I think I understood that you said: neither the company nor the controlling shareholder had asked KPMG to step aside, is that correct?

de Benedictis: Yes exactly.

Succi: OK. But in the report it states that .... on page ... they're not numbered, the third page ... It should be noted that on 16 May 2016 Hitachi Rail Investment Srl, the controlling shareholder in the company had invited the Board of Directors of Ansaldo STS to consider Ernst & Young as a suitable replacement for the auditing company.

de Benedictis: this is correct ...

Succi: ... so, let's get this straight ... it invited the

Board to consider E&Y without any formal dialogue with KPMG with a view to asking KPMG to step aside? [...] They're inconsistent, I'm probably mistaken.

de Benedictis: excuse me... so: KPMG performed the audit for the company. On behalf of the shareholder Hitachi, for the purposes of consolidation, Ernst & Young worked on questions relating to the consolidation of the group. It is evident that, with respect to the shareholder Hitachi, if there had been an opportunity to replace the auditor with the auditor E&H, that would have made things easier.

Succi: .... so then, following this ....

de Benedictis: ...but it was not... with this, we didn't ask KPMG to...

Succi: ...it was a purely internal dialogue that ...

de Benedictis: it was them that told us they were in a situation of conflict with Hitachi. Not with Ansaldo.

Succi: so it was purely incidental that on 16 May Hitachi had said: "Dear Board, please consider whether it is the case that ...."

de Benedictis: no, it wasn't incidental, it was an opportunity, because they simply said that it would be convenient both for Hitachi and probably for Ansaldo, to have a single auditor in that context, so the Board of Directors should consider the opportunity.

Succi: uhm. Which was not then taken up by the Board of Directors. So, after this the Board of Directors didn't make any kind of formal or informal request to KPMG. Thanks for the clarification.

There being no further requests to address the meeting, the Chairman invited those entitled to proceed with voting on the proposed resolution concerning the granting of a new statutory audit mandate, which I have read out.

The Chairman again asked participants to declare any lack of entitlement to vote pursuant to law or the Articles of Association and observed that Mr Pratelli reiterated the statements made in his speech regarding the lack of entitlement to vote of the majority shareholder.

The Chairman called on those who did not intend to be included in the formation of the basis for calculation of the majority to leave the venue before voting commences.

Before proceeding with the vote, the Chairman asked the support personnel to provide him with up-to-date information on attendance and asked those entitled to vote not to leave the meeting until the voting procedure had concluded.

The Chairman announced that there were still 174 persons entitled to vote on their own behalf or by proxy, representing 169,580,479 shares, amounting to 84.79% of 200,000,000 shares that make up the registered capital.

The Chairman asked those present to cast their vote by pressing one of the following two buttons on the televoter:

*favorevole* [in favour]

*contrario* [against]

*astenuato* [abstain]

and then to press the "OK" button.

The Chairman then opened the voting procedure.

On conclusion of the voting process, the Chairman declared voting to have closed and announced the results: the proposal on point 1 on the agenda, concerning the resignation of the

auditing company KPMG S.p.A. and the award of a new independent audit mandate achieved 117,488,596 votes in favour, amounting to 69.28% of the capital participating in the vote, with 141,164 votes against, amounting to 0.08% of the capital participating in the vote, with 51,950,719 abstentions, i.e. 30.63% of the capital participating in the vote, all as indicated on the relevant results sheet which on the request of the Chairman would be appended to the minutes of the meeting, together with a list of the names of voters and the individual votes cast.

The Chairman therefore declared the proposed resolution transcribed above to have been approved by a majority.

The Chairman then moved on to the second point on the agenda:

"2. Liability action against the Director Mr Giuseppe Bivona pursuant to Article 2393 of the Italian Civil Code - resolutions pertaining thereto and resulting therefrom."

The Chairman reminded those present that the matter had been placed on the agenda on the request of Hitachi Rail Investments S.r.l. and was therefore discussed in the report produced by Hitachi, which had been consigned to participants and made available to the public by the methods and according to the terms established by applicable legislation, to which reference was made.

The Chairman also pointed out that on the request of the said shareholder Hitachi and the shareholder Amber Capital UK Llp, on 4 January 2017 the documentation concerning the conduct of Mr Bivona, which had been the subject of censure by the Board of Directors in a resolution adopted by a majority on 19 December 2016, had been made available to shareholders on the company website.

Finally, the Chairman reminded those present that, as indicated previously, on 12 and 18 January 2017, further information relating to this agenda item had been made available to the public.

The Chairman submitted the following proposed resolution to the meeting on this agenda item:

"The shareholders' meeting of Ansaldo STS S.p.A., meeting in ordinary session, acknowledging the explanatory report produced by Hitachi Rail Italy Investments S.r.l. and the observations of the Board of Directors

resolves

1. to instigate a corporateliability action pursuant to Article 2393 of the Italian Civil Code against Mr Giuseppe Bivona in his capacity as an independent director;
2. to grant the Chairman of the Board of Directors the widest and most appropriate powers to implement the resolution adopted by instigating and pursuing the liability action, at the time and in the manner that it deems most appropriate".

The Chairman opened the matter for discussion, reserving the right to respond to any questions on conclusion of each intervention.

In order to moderate the discussion more effectively, the Chairman invited those that intended to speak to kindly give the intervention request form that they received for this agenda item on registration to the secretary's office.

The Chairman gave the floor to the Chairman of the Board of Statutory Auditors, Mr Giacinto Sarubbi, who had asked to address the meeting and who made the following statement:

"As I had announced previously on this matter I wished to

speak in the name of the Board of Statutory Auditors. The Board of Statutory Auditors believes that it should anticipate and pre-announce its requests regarding its position on the observation concerning the liability action in the second point on the agenda. With respect to the proposal for a liability action against the director Mr Bivona, which was made by Hitachi Rail Italy Investments, the Board of Statutory Auditors wishes to state as follows: the Board has not received any express request to lodge a liability action pursuant to Article 2393, paragraph 3 of the Italian Civil Code, nor did the Board decide to take this initiative given the current state of proceedings and of the investigations that are currently under way. Given that the liability action is being taken by a shareholder on the basis of an assessment by the Board, it is the duty of the petitioner pursuant to Article 126-bis, paragraph 4 of the Consolidated Law on Finance to provide adequate grounds. On the basis of the aforementioned legislation, it is the responsibility of the Board of Directors to give their assessments of any proposal submitted by shareholders. Unlike other cases, no report is required of the Board of Statutory Auditors; it is merely required to oversee the fullest - within permitted limits - reporting to the meeting, referring to the Board of Directors the raising of questions regarding the selection of the documents that are disseminated and, we stress, pursuant to law, any commentary on the proposal submitted to the shareholder. Following on from the various interventions that it has already made, the Board of Statutory Auditors wishes to stress the need for maximum transparency and promptness in internal and external reporting, and the advisability of reviewing the Board's regulations to ensure the achievement of its objective in terms of the language it uses. The Board believes that it is its specific duty to review compliance with the principles of proper administration and management actions, and their lawfulness and compliance with the requirements of the Article of Association; the Board of Statutory Auditors reserves the right to conduct appropriate assessments of the actual implementation of the corporate governance rules of company bodies and of its members in relation to the shareholders' meeting, as required by Article 149, first paragraph, point C-bis of the Consolidated Law on Finance.

It is not the task of the Board of Statutory Auditors to pronounce on compliance with the relationship of trust between shareholders and directors and therefore it is not the duty of the Board of Statutory Auditors to give an opinion on the initiative that has been taken in this regard. The facts that led to, or in any case that form the subject matter of the numerous interventions documented by material and made available to the meeting, have been adequately examined within the limits of the Board's competences, which has from time to time, in particular cases, criticised the reported events, but occasionally also highlighted the irrelevance or groundlessness of complaints, and made all the required communications, as can be seen in the response to the complaint pursuant to Article 2408 made at this meeting, which we shall analyse in our next report on the financial statement. Moreover it is evident that the Board, where it did express criticisms of actions, did not believe that these constitute gross management irregularities

which could cause harm to the company and which would require other, more incisive measures. Obviously it is the responsibility of the Chairman of the shareholders' meeting to state his view on admission to the meeting and to voting, just as it is the responsibility of the judicial authorities to rule on the validity of resolutions adopted at a shareholders' meeting convened on the request of the shareholders. Thank you".

The Chairman thanked the Chairman of the Board of Statutory Auditors, Mr Giacinto Sarubbi.

The Chairman called the Director Mr Giuseppe Bivona, who had requested permission to address the meeting and who stated as follows:

"Good morning, I am Giuseppe Bivona. Well... let's say... I think that this situation... Well it's quite unusual, and in my opinion also fortunate because, well, the complaints that have been made about me, are objections, the nature of which, the extent of which is... well let's say is by now fully known to yourselves, in essence. Basically I have been criticised for a series of petitions, reports and letters which, albeit in an extremely omissive and incomplete manner, the company has posted on its website. I will briefly recall the route that led us to today's situation: on 16 December 2016 the Chairman Mr Dormer sought an addition to the agenda of a Board of Directors that had already been published, asking to speak on statements about conduct, on statements about my conduct; on 19 December the Board of Directors, by a majority vote formed only of designates and directors ... Directors appointed and designated by Hitachi, approved a motion of censure against me; on 20 December the company issued a press release which was not authorised by the ... or in any case resolved by the Board of Directors, and therefore ultimate responsibility for it could only lie with the former Chief Operating Officer of Hitachi Rail, who let us say acted in his capacity as Chief Executive Officer. And then the circle closed on 29 December with a petition in response to the press release for a liability action by Hitachi Rail. As the saying in Rome goes: you both play it and sing it!

So, you are well aware of the conduct; I imagine that every one of you have been able to go to the site and, I repeat, despite it's being omissive and incomplete, you'll have formed an idea about the content of my communications and so, given that the conduct is known, I think the first thing to understand is whether it actually constitutes a violation of the duties of directors. I think that the right question to ask is therefore what are the duties of directors? The duties of directors are established by law. I didn't establish them and the Board didn't establish them. It is the law that says, it is the law that above all imposes the obligation on directors to act with diligence, in accordance with the nature of their mandate and also by virtue of their professionalism. I believe that it would be pretty difficult to maintain that it is not a director's duty to highlight, to bring to the attention of the Board of Statutory Auditors and of any competent authority revelations, irregularities, violations of the law and of the Articles of Association, or simply violations of the criteria for proper administration, regardless of whether they are found to be correct or not. It is simply an obligation, whenever, in an informed manner, it is believed that violations could potentially be committed, to be able to bring them to

the attention of the above. It is simply compliance with a duty of diligence. Likewise, the second obligation established by law is to act in an informed manner. In an informed manner. The law states it, so this underlies several things: first, the ability of directors to receive information in order to reach a decision on the issues that are brought to their attention, and in general to be able to verify that operations are performed correctly. I repeat: it was precisely one of the most recent reforms of company law that introduced the concept of assessment of management according to information that that comes from the records.

So it is evident what the consequences are: first the obligation of delegates to provide the information and second, the obligation of delegators to ask for information. At this point, to anyone, if the information was not provided, and again I think that think of censuring a director because he has exercised his prerogative to ask for information when it has not been provided by the company, and still has not been provided, I repeat that, rather than being a violation of an obligation, it is compliance with a precise duty. As you know, besides having been accused of an abuse of power, I believe for having contacted the Board of Statutory Auditors, the supervisory authorities, and for having sought information, I have also been charged with a conflict of interest. Here again, I mean to say... it is the law that explains what the obligations of a director are in operations in which there exists an interest on one's own behalf or on behalf of third parties; and here with respect to my position it isn't necessary to go into much detail for a simple reason that is as simple as it is banal: of the nine meetings of the Boards of Directors in which I have taken part, i.e. all of them, since this board came into office, no resolution of this kind has ever been brought before directors... Why: attention! A conflict of interest, or decisions, or resolutions on operations in which an interest exists, is not an abstract concept, it's not like loyalty to a football team. It's what the law says. This applies to every specific operation, and as there is no specific operation concerning Elliott or the minority shareholders, it can be only a metaphysical abstraction to accuse me of not having complied with my obligations in relation to operations which are subject to a resolution. But I will say more! Operations ... certain operations that regarded Elliott and which should have been subject to a Board decision, actually did take place and weren't brought before the directors when they should have been. They were decided by the Chief Executive Officer - I refer for example to the position adopted on the questions regarding the appointment of an administrator - without being submitted to the Board. That certainly is a violation of Article 2391, which places much more stringent conditions on the Chief Executive Officer than on the other directors, because it imposes an obligation to abstain. And in this respect I have to say that he was also censured by the Board of Statutory Auditors. With the documentation that you have seen, I did not simply comply with three legal obligations. In reality I also used an exemption, because the law does not just impose obligations, it also recognises a right, an exemption. What is this right? Well, we all know that directors have joint and several liability for matters regarding damage caused to the company as a result of non-fulfilment of



their obligations, but there is an exemption. The exemption applies to a director that, being the guilty party, has acted ... to ensure that these... these acts were above all the subject of resolutions voted against at a shareholders' meeting or a meeting of the Board of Directors; and above all notified in writing - this is the word which, if I remember correctly, Article 2392 uses - to the Board of Statutory Auditors.

So let's say for the peace of mind of Hitachi, not only did I not act in violation of the obligations, no matter how tedious all this is for a shareholder that exercises very nonchalant management of company affairs; I exercised my obligations as a director, and I exercised my right of self-defence, obviously in relation to facts that are a responsibility that any director, any shareholder, could bring to light, obviously regarding facts of which you have been informed. I want to thank the company for providing the facts, even though they were omisive and incomplete, because the allowed you to make an absolutely autonomous independent assessment of the management facts that... that have been the matter of dispute. But I think that you, the shareholders, still lack some information in order to make an informed decision. The question I would ask if I were one of you, is: Dear Mr Bivona, you've written a series of letters, you've written a series of petitions, but what have... what was the result of these petitions? Are they all allegations, or concerns, opinions floated in the air, or do they have any substantiation? Well... it tickles my sense of humour, to read in the Q&A that the company has been careful to say that the supervisory body - which of course I also informed - argued that in their view there were no irregularities - obviously it's a pity that, as you are all aware, the responsibility of the supervisory body is an extremely narrow responsibility, obviously concerning offences of administrative liability pursuant to [Legislative Decree] 231; I agree that the supervisory body is probably not responsible for 99.9%; but you know that there is also a body, which has a much wider and very different purpose; a supervisory function ... indeed it is not a function; it is a duty. A duty, I emphasise, a duty. Article 149 of the Consolidated Law on Finance, to supervise what? Compliance with the provisions of law, compliance with the memorandum of incorporation, compliance with the principles of proper administration, even - and this is very often forgotten and is a large part of the question that I raised - on the adequacy of the organisational structure of the company to fulfil its role. And this body is the Board of Statutory Auditors. So I think... and I find this amusing, although there is very little to be amused about here...

The Chairman de Benedictis reminded Mr Bivona to respect the time limit for each contribution, pointing out that 10 minutes had already passed.

Bivona: I haven't finished, don't interrupt me. Don't worry, stay calm.

de Benedictis: No, I'm not calm...

Bivona: I was saying... I think that the fundamental question becomes: what did the Board of Statutory Auditors say? So, let's cast our minds back to what the supervisory body said. Let me reassure everyone: the Fire Brigade, the Salvation Army and the Coast Guard, and the rest have not complained about anything. And they had nothing to complain about. But what did

the Board of Statutory Auditors say? I have to read here because I can't recall from memory all the findings of the Board of Statutory Auditors. Some of them were described by Mr Sarubbi. With respect to the question of the de Benedictis matter, the Board of Statutory Auditors intervened on various occasions - tardily in my opinion - and essentially on various occasions asked the Board of Directors to conduct a closer examination of the matter, producing the Marchetti opinion.

On the question of the mandate that you will find, of the question concerning the Paul Hastings law firm, the Board of Statutory Auditors stated - I quote: "the lack of urgency in making this disclosure is reprehensible". The Chairman Mr Sarubbi was all too benevolent: Article 23.3 of the Articles of Association, which establishes a reporting obligation for mandates, obviously within the limits of the powers granted to the Chief Executive Officer, was violated. On the statements of a company executive, who spoke at the Board of Directors meeting to make declarations of support for the appointment of the candidate for Chief Executive Officer and manager proposed by the Hitachi candidate, who spoke at the Board of Directors meeting on the proposal of the Chairman Mr Dormer, and who made mendacious statements, the Board of Statutory Auditors said: Well, it is effectively a serious irregularity. A serious irregularity. Fourth: On the matter of interests ...

de Benedictis: excuse me sir ... your 12 minutes are up, sir. I remind you that I'm chairing the meeting. OK? So, 12 minutes, at this point I have to warn you pursuant to Article 14 of the rules. Is that clear? So, please, conclude your contribution, if you will excuse me.

Bivona: No, I don't excuse anything!

de Benedictis: well, if you don't want to finish...

Bivona: I'm finishing!

de Benedictis: So finish then!

Bivona: Point 4: it concluded that the conduct in question was reprehensible, it criticised the fact that the Chief Executive Officer had not raised the matter with the Board. Again on the mandate, on the Paul Hastings matter, it concluded that it was at least objectionable in terms of transparency, and again on the matter of Paul Hastings, it described as reprehensible in terms of unequal treatment, because the independent directors were prevented from obtaining the legal support which the company had instead provided to the one who - Dr. de Benedictis - to demonstrate an issue on which a personal interest rested, i.e. his independence. Again on the matter of the independence of Mr de Benedictis, the Board stated that the Chairman's conduct was reprehensible for failing to raise the question of the situation as outlined by Mr Sarubbi with the Board of Directors.

On the question of the grave irregularities to which I referred regarding the mendacious statements of a manager to the Board, the Board ... the Board of Statutory Auditors produced evidence which shows that the Chairman Mr Dormer was aware of the mendaciousness of the statements to the Board, which he didn't object to although he was present. Again on the matter of.... which appears to be a matter... here again...

de Benedictis: Mr Bivona! You are not concluding.

Bivona: Yes, I am concluding.

de Benedictis: No, it doesn't appear to me that you are concluding. Do I have to suspend the meeting? Do I have to sus-

pend the minute taking? [voices talking over one another]

Bivona: I think you should have the sensitivity to allow a director, who is facing unjustified and unscrupulous action to bring about his dismissal, the chance to give information to the shareholders - information which the company has by the way not provided. So I repeat, I don't want to steal any more time. It seems quite clear to me that the unjustified and unscrupulous nature of the operation is consistent with the conduct of a shareholder whose business card in this country has been the recognition of collusion, to which I myself and the shareholder Amber had objected.

de Benedictis: Thank you Mr Bivona.

Bivona: having said that, I'll finish by thanking the shareholders. I can tell you that from my point of view I believe I'm the most... I am my own strictest judge but I have never failed to fulfil my fiduciary obligations to you. Thank you for your trust and support, and I am certain that none of us will allow ourselves to be intimidated either at this meeting, or anywhere else. Many thanks and all the best."

The Chairman invited Mr Arturo Albano, in representation of the shareholder Amber Capital, to take the podium on the left for his contribution.

Mr Arturo Albano addressed the meeting in representation of the shareholder Amber Capital and stated as follows:

"Good morning to all of you, I am Arturo Albano of Amber Capital, in representation of the funds managed by Amber Capital, which make up around 3.5% of the capital of Ansaldo STS.

I wish to ask that the meeting be fully minuted. Let me apologise in advance if I slightly exceed the ten-minute time limit [...] yes, it's true that there are only ten minutes but 250 pages of documentation have been published - there's so much to say, but anyway, I'll start. So, I have read the explanatory report produced by Hitachi, which accompanies its request for an addition to the agenda to insert a second point. The liability action against the Director Mr Giuseppe Bivona pursuant to Article 2393 of the Italian Civil Code - resolutions pertaining thereto and resulting therefrom. This consists of two pages sent by fax from the Gianni Origoni Grippo Cappelli law firm, and one cannot help noticing that the secretary of the Board of Directors of this company and one of the founding partners of that law firm, are one and the same person, a person who in addition to having sent the fax, it is reasonable to suppose assisted the shareholder Hitachi in compiling the report.

This is a symptom of the fact that the majority shareholder has truly penetrated deeply into the structures of the subsidiary. In the two pages of the report, the controlling shareholder Hitachi, which exercises a power of management and coordination over this company, in acknowledging the resolution adopted by a majority of the Board of Directors of STS on 19 December 2016 censuring some of the conduct of Mr Bivona as a gross violation of his duties as a director due to his abuse of power and conflict of interests with the company, asks the Board to provide information on the facts proving Mr Bivona's unlawful conduct, which are referred to in the press release, so that the shareholders' meeting can make a complete assessment of whether to resolve to bring a liability action against Mr Bivona as provided in Article 2393 of the Italian Civil Code, and consequently put in place the procedural safeguards

reasonably necessary to prevent such conduct from having a prejudicial effect on the company in both economic and reputational terms. Hitachi also writes that from what can be understood of the press release and publicly available information, by his conduct, Mr Bivona had pursued interests other than those of the company. To this end, he used his own prerogative as an independent director with excessive diligence that was not commensurate with the specific practical circumstances.

So, it seems that instead of Mr Bivona being reprimanded by the Board for a conflict of interest and abuse of power, he is being accused of excessive diligence, which is a truly unusual expression to justify a liability action. Does the controlling shareholder really believe it can undermine the principle that allows minorities to choose and elect a member of the Board of Directors by proposing a liability action on the basis of excessive diligence? Is it really the case that the Board of Statutory Auditors will not call into question the legitimacy of this resolution, if it is adopted? To make matters worse, later on in the report, the same director is accused, with reference to various proceedings brought before the court by the minority shareholding in Ansaldo STS, of having always adopted a particularly proactive stance, beyond the competence of an independent director, which was designed to oppose Hitachi in an arbitrary manner instead of pursuing and protecting the interests of the company itself. So the director Mr Bivona is accused of being particularly proactive in arbitrarily opposing Hitachi, and also of going beyond the role of an independent director; but can a judgement of arbitrariness and a rebuke of particular proactivity entitle the controlling shareholder to essentially revoke an minority director elected according to law and the Articles of Association solely by means of a resolution? And above all: is Hitachi responsible for assessing what is below... what is below or above the powers of an independent director? We don't think so. Furthermore, in the report produced by Hitachi, it states that the director Mr Bivona had sent various petitions to Consob - the Stock Exchange Supervisory Commission, and other authorities that were also against other companies of which he is a director, or for shareholders to which he is a consultant, in an apparent attempt to protect the interests of himself and his clients, interests that are different to those of the company, and of acting to prevent directors from managing the company business properly.

Apart from disputing the axiom that the interests of shareholders, in particular the interests of the minority shareholders, must necessarily be different to the company's interests, we also contest the claim that the director Mr Bivona - as far as we know - also made complaints against the other company of which he is director, and we wonder how it is possible to contend that a complaint to the Supervisory Authority can ever be of harm to the company. Such an affirmation reveals that Hitachi does not have an extraordinary faith in the Authority's judgement. Luckily, some of the affirmations in the report can be supported. For example: Mr Bivona, in his capacity as an independent director, is a guarantor of the transparency of the internal decision-making process of the Board of Directors and therefore of the substantive and procedural propriety of its decisions.

Reading the documentation published by the company, the only conclusion one can draw is that Mr Bivona seems to have done what his role and relative duties of his directorship required him to perform, i.e. to inform the competent bodies of a series of irregularities or at least apparent irregularities in the management of the company and in the performance of the Board's duties, or in any case a number of shadows in the transparency of the decision-making process within the Board of Directors.

Reading the documentation published by the company, we in fact learned with dismay that:

1) some directors failed to provide the declarations which are important for the assessment of their independence, and made false statements regarding who had borne the costs of the legal advice they received. On the question of the independence of a director, it appears that the Board of Directors adopted a resolution without taking account of the opinion that was available to it, written by Professor Mazzoni, which concluded that he was not independent, and without even disclosing to the market the fact that the opinion had been submitted to the Board of Directors. In fact, the press release dated 19 December speaks only of a decision taken on the basis of the opinion of Prof Angelici.

2) contrasting declarations were made within the Board, and apparently misleading information was disclosed to the market regarding the departure of the CFO from the company, which was presented as being a resignation for personal reasons, while it was more similar to a dismissal, defined with a consensual termination agreement which was more convenient for the company.

3) There was an almost total absence of adequate analysis, assessment and consideration and in fact no meeting with the candidate, or any verification of the information provided by the candidate himself by the Nomination Committee which took office in May 2016, regarding the selection for the top executive position in the company. No account was taken, among other things, of the negative recommendation given by the preceding Committee, and the discussion concluded after around half an hour - not after a long discussion as initially affirmed by the Chairman of the Committee.

4) The curriculum vitae of the Chief Executive Officer of the company of which we are shareholders, although signed by him under his own responsibility, contains information that is at least incomplete regarding his past managerial experience, which Mr Barr was not able to or did not wish to document.

5) The Chief Executive Officer was not able to explain to directors what was meant by "Economic Value Added" in the documents that he submitted for the Board's attention. At the same meeting of the Board of Directors on 15 June 2016, he provided information that seriously contradicted information provided by the Chairman Mr Dormer on the company's participation in a tender - which was not approved by the Related Parties Committee. Despite the fact that Breda was participating in a joint venture with Ansaldo STS, he stated that he was not sufficiently qualified to explain why Breda was selected as a supplier over others.

6) The legal consultant to Hitachi was appointed secretary to the Board of Directors of the company, effectively granting Hitachi's legal consultant:

A) the task of drafting and calibrating the final text of minutes of meetings of the Board of Directors, with the result that some minute taking was severely disputed by some directors and that the remedy adopted was to no longer send minutes for review and approval by the directors.

B) the opportunity to actively participate - from what seems to emerge from the documentation published by the company - in the proceedings and the discussions of meetings of the Board of Directors, so much so that he was defined almost as a *de facto* director.

7) The procedure for transactions with related parties appears not to have been complied with, at least with respect to the approval of the memorandum of understanding regarding the participation in a tender, for an extremely important project - one of the biggest... one of the most substantial for the company - in which Ansaldo STS was participating as part of a temporary joint venture with the related party Breda and the non-related party Astaldi. The request for clarification from the director Mr Bivona were met with responses that were unconvincing and/or clearly erroneous. This question is so important that Prof Mazzoni, in his report cites it one of the circumstances that was sufficient to prove the non-independence of the director de Benedictis.

8) The censure resolution against the director ...

de Benedictis: Ten minutes have passed, you have two minutes left to finish.

Albano: I notice the fortuitousness that when your name is mentioned, you say that ten minutes are up, because it's already happened...

de Benedictis: coincidence! It's a coincidence.

Albano: It's a coincidence.

de Benedictis: Exactly.

Albano: so ... The resolution of censure against Mr Bivona was adopted by the non-Italian directors, who were elected by the shareholder Hitachi without even reading the documentation that should have led to an amendment to the censure, which was not translated into English by the company. The list would be longer because the facts are extremely numerous and serious, but given that they have warned me to conclude within two minutes, I wish only to recall, last but not least, in fact probably among the most serious acts committed by the Board of Directors, the creation in late October 2016 of the Bid Committee, which in fact deprives the Board of Directors, and therefore the directors appointed by the minority shareholders, of its authority. These shareholders it is worth... represent just under 50% of the capital of STS and have been deprived of their functions in commercial policy by delegating the powers to decide on the presentation of bids, the signing of contracts with suppliers and the granting of the relevant guarantees and counter-guarantees up to a value of €350 to a committee composed of three executive directors appointed exclusively by Hitachi. In fact, the overwhelming majority of the tenders that Ansaldo STS participates in. All this considered, the proposal submitted by Hitachi to instigate a liability action against the director Mr Bivona appears in our opinion to be a clear attempt to commit yet another abuse, to the detriment of the minority shareholders that elected those directors. It is an attempt to eliminate an uncomfortable direc-

tor, whose fault - in the view of the same shareholder that filed a report on the request for an addition to the agenda, was to be too diligent and particularly proactive, beyond what the controlling shareholder considers acceptable for an independent director.

In reality, given the suspicions of gross irregularities on the part of some directors in the management of the company and the apparent violation of procedures, law, and good corporate governance practice for a company which makes recourse to the capital markets, the impression is that the liability action should probably be brought against others, and that the representative of minorities that is now being hunted had simply sought to prevent further irregularities from being committed by denouncing facts and circumstances that in some cases were serious. This conduct is probably contrary to the interests of Hitachi, but surely serves the interests of the company, of which he is a director, in addition to complying with the law.

de Benedictis: have you finished?

Albano: no.

de Benedictis: I have to ...

Sarubbi: if you read it more calmly, excuse me Mr Chairman. Then I can follow it better. Anyway, there's a page missing... Let's avoid this... Excuse me please.

Albano: Thank you. In fact, Hitachi seems to be in some doubt as to the possibility of finding something improper in Mr Bivona's conduct, given that in the report on the agenda item it affirms that if the unlawfulness of the conduct of Mr Bivona is confirmed, the role he played would further aggravate his position vis-à-vis the company. And maybe this is the point. Surely a shareholders' meeting is not the time or place to ascertain the lawfulness or otherwise of the disputed conduct. It is a court that must establish that, if the meeting decides for the action and if the Board pursues it, with a decision that will be handed down in in a year or so at the earliest, without calculating the timescales of a probable appeal and further legal recourse.

In the meantime Hitachi will have voted for the liability action, obliging Mr Bivona to leave the Board, and the majority shareholder will have achieved its objective: to eliminate an over-diligent representative of the minority. This is without counting on one hand the loss of the advantage of the first choice that the minority shareholders made, and the time necessary for a stopgap newcomer to reach the level of knowledge of the directors that have already been in office for 8 months; on the other hand, the intimidatory effect on the next candidate and the other directors elected by the minority would be assured. Besides the damage, the joke is that the risk of the subsequent liability action, if the company really has the courage to instigate it, will be against the company itself, and therefore against those shareholders that represent almost 50% of the capital who did not vote in favour of this abuse that the controlling shareholder seems intent on pursuing to the detriment of all shareholders other than the majority. And I conclude: the conduct of Hitachi and the resulting resolution that Hitachi wishes to impose on this shareholders' meeting run the risk of creating a very serious precedent for corporate governance in Italy and for the trust of foreign investors in the instruments that the Italian legal

system provides for the protection of the rights of minority shareholders in a listed company, and more generally for the trust of foreign investors in the Italian system. If Hitachi's proposal is approved, and the director legitimately chosen and elected by the minority shareholders in STS is ejected from the Board of Directors even before it is proven that the accusations made by Hitachi and its representatives have any foundation, there is a risk that the concept will take root that in Italian listed companies, the majority shareholder can select the directors that in fact by law must be chosen by the minority shareholder. There is a risk that the concept will take hold that if an independent director does his job well, is diligent and proactive in ensuring that the law and regulations are complied with, but in practice is not silent and complacent enough with the majority shareholders and their representatives, the majority shareholder can remove him as it pleases. This principle cannot be accepted, because it represents an abuse to the detriment of minorities and that is why we are voting against the proposal submitted by Hitachi, and reserve our right to protect our rights and respect for the law in the most appropriate places. Thank you".

The Chairman invited Mr Marco Taricco, in representation of the shareholder Bluebell Partners Ltd, to take the podium on the left for his contribution.

Mr Marco Taricco addressed the meeting in representation of the shareholder Bluebell Partners Ltd and stated as follows:

"Good morning everyone, thank you Mr Chairman for the opportunity to speak. I am Marco Taricco and I speak in the name of the shareholder Bluebell Partners Ltd, a minority shareholder in Ansaldo STS. I can only begin my contribution, in which I hope to make up time for everybody because I like to be brief, by making a statement of total and absolute solidarity with Giuseppe Bivona, who as surely many of you know is my partner in Bluebell Partners. I think I know Giuseppe better than anyone else, and so I'm sorry to say that it is very regretful that we're here today talking about this liability action brought by Hitachi Rail. I know Giuseppe's professional abilities, and know that he would never do anything if he wasn't absolutely convinced of the action he is taking. Moreover, I'd say that it's completely unheard of for someone to be censured because with their conduct - I'm reading the text: he used his prerogative as an independent director with excessive diligence that was not commensurate with the specific factual circumstances. Frankly, it's amazing. Moreover, if I can put the matter in context, I'd say that it was understood from the outset that this adventure would quickly have taken this turn, because we were at the shareholders' meeting 9 months ago, on 13 May last, and on that occasion - when the current Board of Directors was appointed, there were many appeals that involved various minority shareholders in favour of transparent governance, in favour of... well, asking Hitachi not to manage the company like a private company, but as a listed company, a company that, has been stressed, is almost 50% controlled and owned by minorities.

I'd say that not only have these appeals gone unheard, but things have gone beyond the worst expectations. Now I do not intend to go over all the alleged irregularities that have been listed, as Mr Albano has already referred to a number of them, but I would like to focus on a couple of points that I



think are particularly relevant, and respectfully ask some questions. The first is the question of the independence of Mr de Benedictis. So, about your independence, Doctor. This is definitely an issue that has been discussed *ad nauseam* from what we read in these papers. I have only one question to ask you - if it's possible to get an answer: I want to know how many times since you were appointed you have voted differently to the other Ansaldo directors who are an expression of Hitachi. Because you see I have the impression that here we could get thousands of legal opinions from lawyers, and basically get the answer you want to hear. But in the end, as maybe Prof Mazzoni noted in his report, which I read carefully, what counts in the end is actual behaviour, so I'd like to know how many times you've voted differently. Again in relation to this matter, something I didn't say, but allow me, it's particularly important, because if his non-independence is demonstrated, objectively all the committees within the Board of Directors... i.e. committees, sorry, within the Board of Directors, in particular the Related Parties Committee, would in my humble opinion be unlawfully established and all the resolutions they adopted would not be legitimate. So, in this regard I'd also like to ask a question to the Chairman of the Board of Statutory Auditors... I'd like to ask Mr Sarubbi whether in the light of the reservations that I've heard were expressed, does he think that the meeting of the Board of Directors of 19 December 2016 correctly assessed the independence of the director de Benedictis, despite the failure to consider Prof Mazzoni's report and despite the current circumstances and conduct of Mr de Benedictis, as indicated in that report. The second particularly important question, as I see it, on which I'd like to ask a question, is the establishment of the Related Parties Committee. From reading the papers I read that a memorandum of understanding concerning an enormous order, a 1.3 billion order in Iran, where the portions corresponding to... sorry where the portion corresponding to Ansaldo amounts to 335 million, was authorised without passing through this Committee, which is chaired by Mr de Benedictis. I read that it concerns a binding obligation, with the company being jointly and severally liable with its partners Hitachi and Astaldi, to Ferrovie dello Stato which, as chance would have it, is the most important client of Hitachi Rail Italy. So frankly I don't think there is any doubt that - given the involvement of Hitachi and Ferrovie dello Stato - this undertaking must be discussed and passed by the Related Parties Committee, and this... the fact that this did not happen, I think is very serious. At the shareholders' meeting on 13 May we invoked a protocol that Impregilo had set up when the competitor Salini group had taken a minority shareholding; we really are light years distant from that best practice. Then what I think is even more amazing, if I can be a honest, is that the directors appointed by Hitachi have not submitted the memorandum of understanding to the Related Parties Committee, even though they can be sure it would be approved in any case. I don't have to mention that the Committee is made up of a director appointed by Hitachi. So, frankly the doubt arises as to whether this oversight is not just due to disinterest - to put it mildly - in the rules, but also to non-mastery - to use another euphemism - of those rules. So on this matter I'd like to know, and - and I apologise if the question has already

been partly answered in the answers to questions that other members have asked - but I'd like to know: how many orders for amounts exceeding 350 million, which in future will have to go to the Board of Directors, have there been in the last three years? Are we talking about a lot of orders, or just a few orders? The last point which ... I'd briefly like to make, is about something that I learned today, partly from reading answers and questions and partly from hearing Mr Sarubbi's contribution, which is this matter of the adjustment to the fees of the Board of Statutory Auditors. Objectively, I may be a little confused, or very confused, and so I intend to read the letters again, and re-read the intervention of the Board of Statutory Auditors... Let me say - Mr Sarubbi, I say it calmly and with transparency - at least it seems to me that this situation, and I didn't understand whether it was a request, or maybe not a request, but this discussion was nevertheless ... well let me just say it was inappropriate to say the least. Very inappropriate, given the situation in which we find ourselves. So, the last question, if you will permit me, and then I'm finished: I'd like to direct a last question to you, Mr Chairman of the Board of Directors. Given that one of the accusations made against the director Mr Bivona was of having acted in a conflict of interests, with reference I imagine to the shareholder Elliott, I'd like to know in what operations or Board resolutions Mr Bivona did not comply with his disclosure obligations which the law imposes on the directors concerned; i.e. which were the resolutions that concerned the shareholder Elliott in which he found himself in a conflict of interest? Thank you."

The Chairman invited Mr Giorgio Furlani, in representation of the shareholder Elliott International L.P., to take the podium on the left for his contribution.

Mr Giorgio Furlani addressed the meeting in representation of the shareholder Elliott International L.P. and stated as follows:

"Thank you, I also will be very quick given that the facts are well-known and obvious. Good morning to everybody, my name is Giorgio Furlani, I'm the Portfolio Manager of Elliott, which manages the investment in Ansaldo STS. I'm speaking in representation of the shareholder Elliott International LP. First of all I endorse what has been said by the representative of the shareholder Elliott Associates regarding the lack of entitlement to vote of Hitachi, who I call on not to vote on this issue for obvious reasons. Moving on to the subject on the agenda, I recall that we met here 9 months ago to elect a Board of Directors. We were coming out of a turbulent period for the company: a takeover bid that failed for obvious reasons, the collusion of Hitachi, ascertained by Consob and the interception by the prosecutor of a communication of the company Chairman in which he asked that the assessment of the company by a financial advisor be revised downwards to make it seem less attractive. The hope was that we had touched bottom and the we could look ahead to the company's challenges and opportunities. I well remember that I myself and other minority shareholders made repeated appeals for Hitachi to get on with managing Ansaldo STS in the interests of all shareholders. We recommended that the management and governance of the company - the capital of which everybody now knows is slightly less than half of all the others - be conducted in strict com-

pliance with the rules and best practices, without being tainted by conflicts of interest. Alas, today we can say with certainty that all those requests fell on deaf ears. Maybe we should have expected it, given the shortcomings of the past. But I also feel I must add that it has gone far beyond the most pessimistic prediction: the list of management actions that are improper is long to say the least and can be seen by all those who took the time to read the letters written by Mr Bivona to the various competent bodies. Let me just mention a few: a Chief Operating Officer of Hitachi Rail provenance was appointed who doesn't have an adequate track record to manage a public company of the size and complexity of Ansaldo Sts, against the advice of the previous Nomination Committee and without the candidate even being seen by the incumbent Nomination Committee.

Board committees were set up, all composed of administrators who are the expression of the controlling shareholder, which overturned the earlier practice of reserving the majorities and the chairmanships of those committees to directors appointed by the minorities. A Bid Committee was created, composed only of non-independent directors, the expression of Hitachi, effectively preventing independent directors, especially those appointed by minority shareholders, from performing their function. A clean sweep was made of the prominent figures of the previous management, who had done very well, and we witnessed the exit of the CFO, while the reasons and dynamics of his departure remain to be clarified.

And what in my opinion was the most serious: contractual agreements were concluded with related parties with a value of billions of Euro, without going through the Related Parties Committee - as required by the relevant procedures. People whose independence is highly questionable have been classed as independent directors, and this has been the subject of heated debate and conflicting legal opinions. At this point I have a question: I wonder whether the various opinions were translated into English? In such a bleak situation, minority shareholders might hope to console themselves by looking at the company's performance. But such hope is in vain.

The latest quarterly statements show a downward profit and loss statement with turnover and "EBIT" in last quarter decreasing by 7% and 12% over the same quarter in the previous year; down 6% and 15% compared to the last nine months. "ROS" fell from 9.50% to 8.50% in the last nine months of 2016, compared to the last nine months of 2015. A significant increase in working capital rose to 132 million at 30 September 2016, compared to 81 million at 30 September 2015, which raises serious doubts about the management's ability to meet deadlines for completion of orders. And as if all this were not enough, now shareholders are now being asked to adopt a resolution on a liability action proposed by the controlling shareholder Hitachi against the director Mr Bivona, who was censured because, I read verbatim: by his conduct he used his prerogatives as an independent director with the now-famous excessive diligence. The Elliott funds have publicly expressed their position regarding this proposal, describing it for what it is: the weapon used by Hitachi to silence an inconvenient independent director.

There is nothing in the reasons given by the Board of Directors and in the documents disclosed by the company that can

even remotely justify a liability action against Mr Bivona. There was no breach of the duties imposed on directors, nor did the company suffer any kind of damage in the Bivona case. It is no coincidence that the most important international proxy advisors - Glass Lewis and ISS - have noted the absence of justifications for this proposed resolution and urged a vote against it. Indeed, it is precisely the instigation of an unjustified and specious liability action that is detrimental to the company, which will have to incur unnecessary legal costs and most likely to have to compensate Mr Bivona for the grave damage to his reputation. The corporate liability action is being used by the controlling shareholder for the distorted and unlawful purpose of bringing about the automatic revocation of a director that it is uncomfortable with. I think that all of the minority shareholders should be grateful to Mr Bivona for his assiduous and meticulous monitoring and his denunciations, in other words, for his excessive diligence. It is only thanks to him and his exposés that we now know how Ansaldo STS is actually managed, and how much value is attached to respect for the rules and rights of minority shareholders. I conclude. After reading all the letters, as a shareholder I am not worried about the excessive diligence of Mr Bivona. What I am worried about is the lack of diligence of some directors - some of whom are present here. The members of the Nominations Committee, for example, who recommended the nomination of Mr Barr as Chief Executive Officer without ever meeting him. You tell me .... who of you has ever been given a job without an interview? The members of the Related Parties Committee, for example, that never raised a finger when it was discovered that the 1.3 billion joint order with Hitachi Rail Italy in Iran was not passed by the Committee. As a shareholder, I wonder if we are voting for a liability action against the right person. I invite all directors to read and if necessary obtain translations of Articles 2392 and 2393 of the Italian Civil Code. Thank you".

Mr Gianpiero Succi then sought and obtained permission to address the meeting in representation of the shareholder named The Liverpool Limited Partnership, and stated as follows:

"I will be really concise, because I haven't prepared a speech, but I draw inspiration from the words of the Chairman of the Board of Statutory Auditors, in his two comprehensive reports which he made at the beginning of this meeting and the beginning of the discussion of this agenda item. I think that two very important things emerged:

Mr Bivona's excessive diligence was not entirely unfounded also because it appears from the words uttered by the Board of Statutory Auditors that after reading Mr Bivona's letters, it asked the Board of Directors to take a number of actions, i.e. further investigation, verifications, and inquiries. It is not clear today whether they have in fact been carried out. What certainly does emerge, at least to an impartial and independent body such as the Board of Auditors, is that what Mr Bivona did does not appear to be either instrumental or entirely unfounded. So for me, this is a very important starting point. The second concerns a matter of reporting. The Board of Statutory Auditors tells us that it had asked and urged the Board of Directors to take a series of actions as a result of Mr. Bivona's initiatives, in order to verify their validity and to address a whole range of situations that were revealed by Mr.

Bivona. It is not clear, however, whether these initiatives have been taken. I believe this results in two things: A reporting problem. Today are we, and here I take the words of those who preceded me... but are we really accusing and we are really judging the right person? Did Mr Bivona really err in pressing for and sending a number of petitions etc. which were partly endorsed by the Board of Statutory Auditors, or is someone else wrong, or at least is someone else failing to take action to respond to the complaints raised by the control body? We know what Mr Bivona did, ok, with a lot of omissis - but we don't know what remedies the Board of Directors put in place. As of today, in my opinion we are not informed enough to decide. This is a question of fact.

I think what also emerges from the words of the Board of Statutory Auditors confirms the instrumentality of what we are called upon to discuss today, including in the light of the circumstances described by the representative of the shareholder Amber. It is a clear operation by the controlling shareholder designed to get rid of a minority director who rightly called on the controlling body, the supervisory authorities, but above all the Board of Directors, to adopt a series of safeguards that are necessary to ensure that this company - 49% of which is still in the hands of the shareholders - is managed in the interest of all, not just Hitachi. Therefore, in my view this agenda item of today's shareholders' meeting cannot be discussed due to inadequate reporting. I have only four questions to put to you, to which Mr Chairman, I would like an immediate response, they are not questions of law, they're questions of fact; but I would also like a response from Mr Labruna, also an expression... on how the Board meeting went, if you answer immediately, if the Chairman doesn't answer me, but... There's a good package of things on the basis of the... which has been made available to today's meeting. All the .... a part of Mr Bivona's letter, and everything. I assume that the meeting of the Board of Directors on 19 December received them all in time, in order to decide exactly. It says, it criticises Mr Bivona, the Board has decided to censure Mr Bivona due to the content of these letters, I'd like to know when they were made available to the directors.

I think I understand that one of the reasons why Mr Bivona ... Prof Mazzoni's opinion was not examined, was because it was in Italian, and not everyone speaks Italian on the Board - I would also like confirmation from the Chief Operating Officer, but I think he's listening to the translation. So I assume that the Board reached its decision not only having at its disposal Mr Bivona's letters, but also their translation. If not, how could the directors, and in particular the Chairman, who supplemented the agenda of a Board meeting that had already been convened ... how could he have done it? I don't know, Mr Labruna, was there a translation? I don't know. Another question. How long did the discussion last? We are talking about serious matters, and a lot of paperwork. An urgent supplement was made to the agenda. Ok, maybe the urgency was due to this shareholders' meeting, who knows. But how long did the discussion of such a grave matter last? Which then - strangely and curiously - led to the majority shareholder seizing the opportunity to ask for an addition to the agenda of this meeting. I don't know if it's possible to have an an-

swer right away, without waiting for them to think about it...  
de Benedictis: Well, ask me the questions, and then I'll let you know how I'm going to respond.

Succi: no, no, I asked you... It was only in hope, at least on a question of fact, to have an answer right away, a factual matter. Thank you very much."

The Chairman called the Director Mr Fabio Labruna, who had requested permission to address the meeting and who stated as follows:

"Good morning everyone. Firstly, I'd like to say that this is not a prepared speech, it was brought on by the questions that have just been received. I'd firstly like to say in the name of the company, and hoping it does not accuse me of abuse of power, that I apologize to those present for the absence of the Chairman of the Board, who nevertheless played an active part, probably the main part, in on the proposed liability action at the Board meeting. Frankly, I find it, from an institutional standpoint, extremely poor conduct. Leaving this aspect aside for a moment - I wouldn't want go into the details of individual episodes, but I would like to communicate the discomfort of the independent directors, or at least my discomfort, about an entity, a large listed company, part of the history of Italian industry, which today finds itself having this kind of discussion, particularly when we are in a year, in a few months, in which the following events have occurred in quick succession: a sudden change in the audit firm for reasons that frankly are still unclear and unknown, and without, as I had proposed in the Council, the company taking any action; because frankly, for an auditing firm to announce, a month before the end of the financial year, that due to incompatibility regarding a financial statement that must be approved, is unheard of, I've never heard of such a thing before. A further coincidence: we have become aware of the methods which have been described both by the company and by Mr Bivona himself, that the company's CFO, as chance would have it also at the year end, decided to leave the company with a settlement agreement that I frankly cannot judge, but it's a coincidence and having given his willingness, which I think was appreciated, to continue his work until the financial statements were approved. Faced with a scenario of this type, in which, let's face it: all the company's legal safeguards have been under discussion, a liability action against an independent director has also been proposed. Now I personally - as is well-known - voted against the liability action, because I think that the work that was done by Mr Bivona up to now, constituted a legal safeguard for the company. Then, well... the members of the Board of Directors know that often we have diverging views on certain questions, frankly - Giuseppe don't old this against me - the way in which some matters have been raised in my view they could have been raised in a different way, but it is undeniable that a thorough, diligent job was done - too diligent... frankly that is a bit risible - on matters that were then substantiated. So, moving on to the questions that you asked: during the meeting of the Board of Directors, I don't remember how long the discussion was, but it didn't last for more than an hour. Between half an hour and an hour. In any case I imagine that it was minuted, so the company could give a quick response on this factual element. The only reason that I voted against the resolution is that objec-

tively, from the discussion at the Board and despite having made several requests, not a single clear fact emerged on which the Board of Directors could pronounce in one way or the other. I mean it was not clear what was being asked of the Board of Directors. Given the conduct on that day, in the presence of whoever was there, did Mr Bivona act in that way? No! Some grievances were simply expressed in a very general way, some of which were relevant and some of which, in my opinion, were out of order, but this will not be up to us to judge. The sensation was that the whole discussion, once again for the umpteenth time, was not taking place at the Board, because there weren't any clear and precise facts.

No translation was given of the legal opinion that had been commissioned. And although it's true that the opinion was given almost immediately, well then: either you circulate it with a translation, or say that it was difficult for the company to organise in such a short time.

Sarubbi: the opinions were in English, if that was the question. The other opinions had a courtesy translation into English.

Labruna: anyway, the last point, and then I'll finish... in order to reassure minority shareholders, at least with regard to let's say, I mean although I think this conduct runs the risk of being intimidating, we have no intention of being intimidated, in fact more than anything else it's an encouragement to act even more deeply and more diligently, albeit hoping not to be too diligent ourselves in the exercise of our functions. Thank you".

The Chairman invited Mr Raimondo Premonte, in representation of the shareholder Hitachi Rail Italy Investments, to take the podium on the left for his contribution.

Mr Raimondo Premonte addressed the meeting in representation of the shareholder Hitachi Rail Italy Investments, and stated as follows:

"Dear shareholders and members of the Board of Statutory Auditors and the Board of Directors, I am speaking to you in my capacity as representative of the shareholder Hitachi Rail Italy Investments. Firstly I would like to begin my contribution by clarifying how this matter came to be discussed and to ask the company for further clarification and information, despite the copious documentation and information that has been provided up to now. Obviously, for the benefit of all shareholders and so that the relevant decisions can be taken. I would however like to begin with some preliminary comments. We regret to note the actions taken by one of the shareholders in the company, in violation of every basic right of shareholders in STS to accurate information. Obviously I refer to the website "[www.fairtreatmentforsts.com](http://www.fairtreatmentforsts.com)", created and administered by Elliott Advisor UK Limited, and which features a considerable amount of misleading information which is disseminated for purely obstructionist purposes, doubtlessly in defiance of the right of shareholders in STS to receive correct information.

What makes the situation even more serious is that the website has no appreciable information value for shareholders in Ansaldo STS. In fact, it appears to have been created in an attempt to influence the voting decisions of shareholders who are today called on to decide on the liability action against a director, and to disseminate tirades of various kinds in order to discredit STS and its majority shareholder, and to

praise the conduct of Elliott and Mr Bivona. Obviously Hitachi has already taken and is taking all necessary legal action to protect its interests and the interests of its employees and representatives whose information has been disclosed to the public illegally and without their consent. Allow me to add something because mention has been made of the lack of entitlement of the shareholder Hitachi. Of course, as in other situations, Elliott has omitted to mention that the Court of Genoa has already ruled on this issue, rejecting the petition of the Elliott Funds, and if I may add, on the merits also. In any case, moving on to the real subject of the present discussion, I wish to point out that the shareholder Hitachi learned from the STS communication to the market on December 20 that a meeting of the Board of Directors of the company - which was in fact held on 12 and 19 December - had approved by a majority to censure some of the conduct of Mr Bivona, who was elected from the minority list presented by Elliott funds, which constitutes a serious violation of his administrative duties due to his abuse of power and his conflict of interest with the company. In the light of this communication, on 27 December the shareholder Hitachi sent the company a request to provide Hitachi and all market shareholders with the documents and information relating to the director Mr Bivona in order to make all shareholders in the company duly informed of the reasons for the censure, and in order to assess the adoption of appropriate measures against the said director. The company was not able to provide an immediate response to these requests, and thus the shareholder Hitachi requested - on 29 December, within the legal deadline - a supplement to the agenda pursuant to Article 126 of the Consolidated Law on Finance, so that the shareholders - all the shareholders - would be in a position to assess the Board's criticism of the director in question, and so that, if necessary, the shareholders' meeting could adopt the consequent resolutions. On 3 January the company published a press release; on 4 January it posted further documentation on the company website; on 12 January, at the request of the shareholder Elliott, it published the legal opinions on today's chairman Mr de Benedictis; on 16 January it posted a Q&A on its website, and on this day the company has given responses to the questions put to it by the shareholder Amber Capital LLP. Against this background, it is the opinion of the shareholder Hitachi that the conditions exist to propose that this meeting decide positively in relation to the instigation of a liability action against Mr Bivona. In particular, from the documentation and the information provided by the company, Mr Bivona would appear to have pursued interests other than those of the company and to this end used his own prerogatives as an independent director with diligence that was not commensurate with the specific factual circumstances. In particular, by his conduct, the director appeared to have intended to discredit the position of the Board of Directors, accusing it of maladministration of the company to the consequent and merely alleged detriment of its business. In this context, the use of legitimate instruments which are the prerogative of an independent director, perpetrated with excessive and constant repetition, and without any substantial foundation and in the absence of any concrete prejudice to the company, is in our view unlawful and in conflict with the interest of the company



itself.

The censure, criticism and arguments raised by Mr Bivona were found to be groundless - as has been confirmed today by the Board of Statutory Auditors - and evidenced by the fact that in response to the numerous letters and petitions sent by Mr Bivona, the recipient persons and bodies have not raised any specific legal complaints against the persons whose conduct was the subject of Mr Bivona's communications. Furthermore, we also wish to point out that all of the allegations made by Mr Bivona have not called in question the compliance with the law of the conduct of the Chairman of the Board of Directors and all its members who have been subjected to attack, but rather are the result of the questionable personal judgements of Mr Bivona, which are obviously inopportune, reprehensible and ethically unacceptable. Moreover, Mr Bivona's letters and petitions - today we understand there are 33 or more - in most cases devoid of legally significant elements, are worded in strong terms, obviously used with a certain skill and experience, always expressing Mr Bivona's wonder, surprise, embarrassment, blame and disapproval of the work of the Ansaldo directors appointed by Hitachi. However, it seems clear that Mr Bivona's intention is to delegitimise both the independent and non-independent directors appointed by Hitachi, who nevertheless, as can be seen from information provided today and which is publicly available, have acted in accordance with the law, industry regulations, the articles of association, and the company's internal regulations. Mr Bivona's attitude seems to be symptomatic of a purely obstructionist intent, which is irrelevant to the interests of the company and which in our opinion constitutes an abuse of power, as was resolved by the Board of Directors at its meetings of 12 and 19 December. Such conduct appears to be intended to undermine the proper and efficient performance of the Board's business, with harmful consequences for the business of Ansaldo STS, and in blatant disregard of the company's interests. In particular, Mr Bivona's conduct seems to be designed exclusively, regardless of the actual existence of any illegality, to call into question the activities of directors, to discredit their work, and therefore oppose their initiatives, thereby preventing the Board from managing the company's business effectively, which is in the interest of all shareholders. With embarrassment, disapproval and no small wonder, Hitachi is obliged to point out that Mr Bivona has in fact repeatedly tried to obstruct the Board in its discussions, evaluations and resolutions on business matters, as well as, without wishing to belittle their importance, organisational and procedural issues which - we should reiterate - are the strength, the business of the company and the expansion, improvement and development of which are the primary goals of all shareholders. Once these goals are achieved, they constitute a benefit for all. We should add that the actions of independent director Mr Bivona, involving communications to persons outside the Board in which confidential information is transmitted and threats made to third party interlocutors, even inviting such parties to contact the Public Prosecutor's Office, must be considered in any case contrary to the above goals. Just as absolutely beyond the competence of an independent director were the communications sent by Mr Bivona, expressly in his capacity as an independent director, to members of Hitachi LTD's top management, in which

it clearly emerges that, behind the expressed intention of alleviating the conflict between the two shareholders ...

de Benedictis: Mr Premonte ... Mr Premonte, excuse me, the minutes ... Because I'm checking...

Premonte: ... I'll try to ... The concealed attempt, in his capacity as an advisor to Elliott with its company Bluebell, to find a solution of an economic nature which would allow Elliott to sell a shareholding to Hitachi at a price that satisfies the funds that it owns. This conduct, especially in the light of the professional relationship that linked Mr Bivona with the shareholder Elliott, seems to have been driven not so much by an excess of zeal on the part of the independent director as his desire to pursue the interest of one shareholder at the expense of all other stakeholders.

In this case, Mr Bivona attempted to transpose a practical conflict between two major shareholders in the company to the Board meeting. In our view, such conflict should not prejudice the company's operations, and therefore the interest of all shareholders, including those of the other minority investors. On the contrary, the Board of Directors must be in a position to operate in pursuit of the company's primary interests, free from any conditioning that may arise from a conflict between the company's shareholders. Thus, on the basis of the available information, Mr Bivona, by his conduct, in our view appears to have violated his general obligation to act diligently and to pursue the company interest, because said conduct was in pursuit of a particular interest that is different to, and in practical terms at odds with the that of the company.

de Benedictis: are we finishing?

Premonte: Yes, I have a list of questions that I have handed in, if you wish Mr Chairman you can respond directly to those two questions, without me reading them out, as you prefer. Very good, thank you.

de Benedictis: Thank you.

Premonte: so we ask the Chairman of the Board of Directors of the company to respond give us some explanations on certain aspects. Above all, Mr Bivona should have consigned to the company - we found out from the papers - the Finmeccanica service orders; has the director given an explanation of how he came into possession of these documents? From the correspondence made available to the public, Mr Bivona accuses the Board and its bodies of having made false, non-transparent and contradictory statements; in this regard, the company, based on the information available to it, should indicate if as of today, as a result of all the petitions lodged by Mr Bivona, any litigation, proceedings or investigations have been instigated, sanctions imposed, or orders issued by the authorities to which the said petitions against the company were addressed. I would also like to know whether Mr Bivona, as of today, has provided any clarification regarding his activity for Elliott through his company Bluebell Partners, and whether he has received any remuneration from it. What reasons has Mr Bivona given for not specifying the nature, terms, origin and extent of this relationship? Is it then reasonable to believe that Mr Bivona, as a partner in Bluebell Partners, has an economic interest in Elliott's disinvestment from the company? Has Mr Bivona ever requested or received mandates or powers of representation from the Board so that, in his capacity as an independent director, he can interact with Elliott and Hitachi

shareholders in order to facilitate a discussion between them? I would also like to know if the Nominations Committee unanimously rejected the candidature of the chief executive officer. It's an issue that has been raised repeatedly. Mr Bivona then complains of grave omissions in the minutes of the meeting of 24 May; we would like to know what grave omissions we are talking about; and then obviously we would like to ask the Chairman to provide any further clarification he deems necessary regarding the company's position on the activities of Mr Bivona that were deemed unlawful, perhaps expanding further on what has already been published. Thank you".

The Chairman invited the shareholder Mr Carlo Maria Braghero to take the podium on the left for his contribution.

The next speaker to take the podium was Carlo Maria Braghero, who stated as follows:

"My name is Braghero. So far I've heard the view, the opinions and the judgements of 85% of the capital. Very immodestly, I would like to represent the other 15%, that is, those who don't count for anything. And I'd like to represent it by expressing dismay at the impudence of Hitachi Rail Srl in seeking this addition to the agenda, and I would also - if I, when the other speeches were being made I was thinking: the lawyer Mr Gianni will have slept well last night, tonight he'll probably be tossing and turning all night, because probably having written "excessive diligence" probably if he were to think about what has happened today, he wouldn't have written it! Because really, to censure someone for "excessive diligence" is quite simply out of this world. But here the problem is not one of excessive diligence: the problem is this: Is Ansaldo Sts a division of Hitachi or is it a listed company? Because the rules of management, from how they appear also from the attitude of the Chairman at the last shareholders' meeting and from how they appear reading the documentation, are rules that would make perfect sense if this company were a division of Hitachi. But given that there are minority shareholders, the law establishes instruments, safeguards, that in this company are being completely ignored. Beyond the discussion, which also makes sense, on whether or not the directors designated by Hitachi are independent, the fundamental problem is the absence of any representative of the minority in all of the Board's committees. So what does that mean? I should go back to the arrogance with which I started my previous contribution. But there is another issue: so there is persistence in saying that Mr Bivona's attitude is worthy of censure? Well I spent all yesterday morning reading this documentation, trying to understand the issue. But all the documentation is how shall I put it, incomplete. in the sense that it is the documentation regarding Mr Bivona's actions. But the results of these actions should be incorporated into the results of the Board of Directors meetings. He raises complaints, the Board of Directors should have debated those complaints, and we haven't had any minutes since May! It's out of this world! Out of this world! A listed company that hasn't produced any minutes since May. When I act as an auditor, if the minutes of the previous meeting aren't present at the next meeting, I mark it down as non-compliance. Here, there are how many sets of minutes missing? - Months! It's absolutely unacceptable. Another very interesting question: the Hitachi representative, has just said that he suspects something - so I have under-

stood, eh! If I'm mistaken, correct me - he suspects contacts, links between directors elected by the minority and those who elected them. But he did not raise the problem that the majority directors identify with those that elected them? Or did they elect themselves? Because they are the legal representatives of the majority. So I don't know ... it verges on the obscene, truly. A last question: a part of the documentation that was made available concerns the departure of the CFO. Consensual, non-consensual, regardless of all the rest. In the papers it says that ultimately, the CFO is committed - under the contract, the agreement that was made - to remain with the company until 28 February. The Chairman of the shareholders' meeting, in one of his contributions, told us that the CFO will sign the 2016 financial statement: but the calendar published on the website schedules the meeting for the Board to approve the financial statements in March. So something's not working. A last reflection: Hitachi complains that it can't manage Ansaldo STS because there's someone getting in the way. But wait: if the company was going well, would it have reason to complain that someone was getting in the way if we were working and getting results. But in some contributions, the quarterly results have been mentioned, and they don't seem that brilliant to me. So maybe its right to have some concerns. And it is in the light of these reflections that, for the little that concerns me, I must say that in my view the proposal to censure Mr Bivona is unacceptable. Thank you".

The Chairman suspended the proceedings at fourteen hours and fifteen minutes in order to prepare responses to the shareholders' questions.

At fifteen hours the Chairman declared that the meeting was once again in session.

The Chairman announced that there were still 174 persons entitled to vote on their own behalf or by proxy, representing 169,580,479 shares, amounting to 84.79% of the 200,000,000 (two hundred million) shares that make up the registered capital.

The Chairman called the Chairman of the Board of Statutory Auditors, Mr Giacinto Sarubbi, who addressed the meeting as follows:

"I have asked permission to address the meeting because I think I will be quicker. With respect to the questions raised by Mr Taricco, on the subject of independence we have already expressed our views this morning in our report on the complaint pursuant to Article 2408 of the Civil Code, and we also explained what our thinking was about how to use prof Mazzone's opinion.

Then with respect to the answer I think in clarification, we will publish a statement in our report to shareholders on the Annual Report; in the Annual Report on the financial statements, we will give a response on corporate governance, of the activities performed pursuant to Article 149 of the Consolidated Law on Finance. On the other hand I should say, quite frankly Mr Taricco, that I'm sorry that you haven't understood clearly, despite my explanation, that the Board of Statutory Auditors - I refer to the adjustment of the fee - did not make a request. The Board of Statutory Auditors did not make a request. The Chairman did not make a request.

At the previous Board meeting, when the shareholders' meeting was held, since it was a matter that was to be discussed at

the shareholders' meeting in May 2016, just before the meeting, some directors formulated the request, as I said immediately at the Board meeting. At the Board meeting on the 28th, when this documentation was produced, you mistakenly, improperly, you find the most appropriate adverb, what happened? What happened is that whoever prepared this documentation, given that the two independent directors elected from the minority lists weren't there, as I said on 28 October 2016; they improperly gave it this attribution, this paternity. But I'll talk to the shareholder about it now. Once the matter was clarified, for me, quite honestly, I find this matter not only... how can I put it... a bit out of place, but I'm telling you: this documentation was produced, these statements, because Mr Bivona said to me: tell me the time, the day, the minute, etc. and I had the humiliating experience, in the face of an attitude like that, of resignation, I had to go to the directors of the shall we say the previous ... and say look: they're asking me for this, can you make this statement? And they kindly did. If even this is not clear, even if that is not enough, I don't know... I mean... but that attitude to shoot into the crowd, just for the sake of it, it's not helpful, it seems like a more... honestly I'll tell you frankly, and also cordially: it seems to me highly specious, because if I have made it clear once, I made it clear twice. I have the documents, the company did not publish them, let's wait for the minutes, So? What are we talking about? What are we talking about? The fact that someone renounced a fee? Was that inappropriate for you? Is it inappropriate that it was given to charity? What are you taking about? That's all! But I say this with cordiality, because - I mean - we are going through, as this colleague whose, forgive me, I can't remember his name, that we've been doing an enormous amount of work in the last 20 months, and if we want get into petty squabbling, then OK... that's fine. I acknowledge that petty squabbling is what they want. But what are we talking about? That's what I don't get, and I say this without argument, but with great uneasiness. With great uneasiness. Because really it's very unwarranted. So much so, and I must say, in all honesty and fairness - excuse me Mr Chairman if I've gone off topic... because I don't really like talking from papers either... because I have nothing to prepare. The contribution that I read today, I did it by myself, because I did not want, how shall i put it, my colleagues to be involved, but my colleagues claimed to do so in the name of the Board of Statutory Auditors, and so yesterday we had to rewrite, passing from the singular to the plural form. Just to give you an idea ... that's it. So then, I hope that I've given the answers, and that they were clear. I hope so."

In response to the questions put by shareholders, the Chairman stated as follows:

"Thank you. So, I'll give you my response to the questions. One that I was asked directly concerns how many times I voted differently to the proposals of the shareholder Hitachi; let me clarify that no proposals were made by the shareholder Hitachi, there were decisions to be assessed at the Board of Directors meetings that come from the directors. In any case, in terms of my independence, the question is irrelevant. Independence is a requirement that must exist *ex ante* at the moment of appointment; in this respect subsequent conduct, in

particular voting at Board meetings, is irrelevant.

The other question (associated with the preceding question) concerns the Related Parties Committee which I chair, and the unlawfulness of its establishment. Obviously this is not an agenda item, and maybe it's just a consideration, it seems to me to be a question... anyway I'll take the opportunity, regarding this matter, to respond to another observation/question that had been made since the last contribution, concerning the composition of the Committee, and the composition of the other Committee - the Nominations Committee - which is currently composed of directors appointed by Hitachi. At the first Board meeting, the first time the Board met, a proposal was made for participation by directors representing minority shareholders, but they did not accept because the condition was that they had the majority on the committees, and so the Hitachi-appointed directors decided to proceed with a composition that excluded them, because it was their own choice.

Much has been said about the Iran operation, which should have been approved by the Related Parties Committee. In reality the Iran operation, when it came before the Committee - and it also came before the Related Parties Committee and the Control and Risk Committee, which is the same committee - it came on 5 August and the Committee met before the Board meeting, which was on the same day; this is an operation that had been activated before and a preliminary agreement had been signed by the parties, in May I think, but it was only a preliminary. So it was essentially an understanding between the members of this consortium that was being formed, under the guidance of Ferrovie dello Stato, so they had met as a consortium and had signed a non-binding undertaking in which they undertook to make a bid subsequently. Then to all intents and purposes in May, when these undertakings were signed, there was no indication of the value, amounts, etc. There was a consortium undertaking, which is very typical of this type of contract, and therefore the approach with that contract was exactly the same as was always followed in previous bids, or tenders if you like, which were made in Italy for the TAV, I mean the composition was identical. There was a civil lawyer, a supplier of trains, there was the signalling company and all those participating in the project would participate in this bid in the same way they had done in the past, so there was nothing new. Effectively even in terms of related parties, and in terms of the signing of any subsequent contract - which was then assessed on 5 August - they weren't obliged to come, to discuss the related party aspects, because it was a market transaction, under the same conditions as previously, nothing had changed. The only thing that justifiably could have been examined was for example the risk profile aspects of this type of contract, the level of contingency that had been planned for this kind... given the inexperience of the group - not only ours, but of all the participants - in operations in a country like this, in which no work has been done for many years. So the assessment from this standpoint, and also from the standpoint of the potential implications that could arise, i.e. the relationship between the specific enterprise and Hitachi Rail Italy -, which was the same former supplier Ansaldo Breda that had previously supplied the Italian TAV - were exactly the same conditions, so it was not necessary, for the various reasons I have explained, to bring it to the attention of the

previous Board of Directors, except when it came to get to the formalisation because the amounts involved and, if relevant, the risk profile was such that an assessment was required.

There was a question on the number of orders of more than 350 million obtained over the past three years: we do not have immediate data on previous years, but we can say that in 2016 there were six orders that exceed this value, but we are always talking about bids, and clearly not all bids turn into orders. I wish they did. In the answers to the questions there is more information about orders of a lesser amount, again for 2016, so you can see how many are more than 150 million, and how many are more than 50 million. The ones I can tell you about now are those in excess of 350 million.

Another question concerned the Board decisions in which Mr Bivona did not comply with his disclosure obligations pursuant to the rules on conflicts of interests. In general, much of his conduct showed an interest that was not that of the company, as can be seen in all of the documentation that has been produced in enormous quantities. The letter that he sent to Hitachi is an example in which he offers himself as a mediator in the conflict between shareholders, as a member of the Board of Directors this is an indication in and of itself, moreover without any mandate from anybody and without ...

Mr Bivona: intervened contest the Chairman's statements.

de Benedictis: you offered to go to Hitachi and talk ...

Mr Bivona: I ask that the letter be read out.

de Benedictis: I don't have the letter here.

Everybody has read it, because it's there. Everybody has read it and can see, there's no problem.

de Benedictis: the Board resolutions which addressed the issue of the special administrator, a question on which the company was quite right, by the ... "

The meeting is addressed by the Head of the Legal, Corporate, Compliance and Insurance Department, Mr Filippo Corsi: "the Board has voted on the resolution to be approved by the Board concerning the advisability of setting up a committee that would assist the administrator ...

de Benedictis: the minutes are all there... the minutes are all there.

Corsi: the minutes were distributed to directors, not to shareholders. The reply is on a point that has already been made. If the point was not made on time, the response is invalidated by the impropriety of the point. The resolutions on which a possible conflict of interest in relation to Mr Bivona was raised concerned the resolution - and during which Mr Bivona was invited to give full disclosure of his relations with the shareholder Elliott - to establish the Committee, which was at the time to support the administrator in handling matters that, in the view of the minority directors, concerned the status and the conflict of interest of the Chairman, the Vice-Chairman and the Chief Executive Officer. At that time a decision was taken to establish the Committee and you were expressly invited, as well as Mr Labruna, to give indications as to your status. Mr Labruna - a lawyer - who was invited to give disclosure on the absence of any conflict of interest involving him, responded that his independence requirements had already been verified, obviously not answering the question that was put to him. With respect to you, you decided to say simply that your relations with the shareholder Elliott had

already been explained at the shareholders' meeting and later stated - I can't remember if it was the company or directors - that you could not give full disclosure of these relationships because they were covered by a confidentiality obligation. This was quite surprising as an answer. So the resolution ... so to answer your question: there was a resolution, you were also invited also by email to give, pursuant to the Civil Code, full disclosure of your relationship with the shareholder Elliott, and there was no answer; you asked us what the resolution was, and we gave you the answer. So you had the reply.

de Benedictis: so, the next question was whether the documentation on the second item on the agenda at the Board meeting of 19 December was distributed; it had in fact been distributed in advance to the directors and was distributed in stages by Mr Bivona, but of course other documents were also distributed. All of this is on record, and you have all seen it, because it's all published. And it was made available to all directors. It was asked whether Prof Mazzoni had produced his report in Italian and in English; as stated previously, there was, where there was no direct translation, efforts were made to provide the necessary support to those who needed to know the content of the report. With respect to the discussion on the Board meeting on the 19th ... the meeting lasted for hours, I don't remember the specific issue but there was definitely an in-depth discussion. In any case the relevant documentation was circulated well in advance and so all the directors saw it, read it, understood it and therefore the discussion that took place was the result of the fact that all the documentation had been understood.

With respect to the points that were raised by Mr Premonte: no, we didn't have any indication from Mr Bivona as to how he obtained the Finmeccanica service orders. As has already been posted on the website, we did not have any indication, we do not have any indication of previous judgments, investigations or anything else regarding the letters, the requests that were made by Mr Bivona, obviously except for those that were dealt with by the Board of Statutory Auditors. On the clarifications of the relationship between Mr Bivona, Bluebell and Elliott, we did not have any specific indication, let alone anything regarding his economic interests. As I said before, he didn't have any mandate from the Board to take independent initiatives... No, the Nominations Committee was before this one, which assessed the candidature of the Chief Executive Officer; no, it didn't unanimously reject as you are... as was claimed; and regarding the minutes of 24 May, these complaints by Mr Bivona, honestly, we don't know what these specific omissions are. With respect to the minuting, I think that I've given the answers: the minutes are all there, they have mostly been concluded, they remain open because they're still in draft form and so the directors are studying them - three of these nine sets of minutes - so there are no delays with them at the moment. Also it should be noted that these minutes are extremely long, extremely complex. We have any minutes that are on average 70 pages long, in some cases they're 140-150 pages long. So you'll understand that - anyway we have to make them available in English as well, English and Italian, so it's not always easy to meet the deadlines to have minutes immediately. It's a process that requires a lot of work. A lot of work



that, moreover... with a secretary's office that is very busy, that doesn't just produce the minutes of the Board of Directors but is also in charge of much more important things, such as the management of all the firm's legal and contractual aspects, so it's not always easy to have the minutes within the timeframe that we would all prefer. But, I have to say, in recent months, in particular the last month and a half this process has accelerated a lot, so I think that now the machine has engaged and it's working much better.

I don't have any other specific responses to give; obviously at this point I'm open to any responses and I'd ask you to be... to be brief in your responses. If you can come closer to the podium, simply because it is clearer with the microphone. Thank you. You're welcome."

Mr Marco Taricco asked for and obtained permission to address the meeting in representation of the shareholder Bluebell Partners Ltd and stated as follows:

"Thank you for the responses that were given. Just a few notes. On the question that I'd asked, asking how many times Mr de Benedictis had voted differently to the other Ansaldo directors appointed by Hitachi, you didn't give an answer. That's fine, I am sorry because this would be the perfect opportunity for you to demonstrate to all shareholders gathered here that you are truly independent. With regard to the discussion on conflicts of interest, it is such a vast and complicated subject, and for a person like me who is not a lawyer, I'm struggling. The only thing I've done, there has been talk of these emails, letters by Mr Bivona, to the top people and the Chairman of Hitachi; to me, reading them, it seems that Mr Bivona was evidently writing as an independent director of the company and in the interests of the company, because it's clear that the events we are seeing, obviously including the disputes between shareholders, in the first instance are seriously detrimental to the company. So I think it's absolutely right that Mr Bivona took pen and paper and expressed himself. With regard to the comments on the order in Iran, there's one thing I don't understand. This memorandum of understanding, did it have binding elements or not? Because I, the only thing I know is what I read, in the opinion of this Prof Mazzoni, which says that this memorandum of understanding is a binding document for its signatories as it obliges them to collaborate exclusively in order to achieve the award of the project to Ferrovie dello Stato. So the fact that there is an exclusive right appears to me to be an obligation... it is an obligation already there... I mean there's no... there's no need to go any further here, so I think it was absolutely a contract that had elements of a binding nature. I'll finish by simply - how can I put it - by wishing you good work in the future. It seems to me that today's discussion has been interesting but only to a point, in the sense that the decision has been taken, Hitachi Rail Investment will vote in favour of the liability action against Mr Bivona, so in short, I don't want to say that we are wasting time, though frankly this discussion in many respects seems rather irrelevant I think that maybe what we should learn from the past months, maybe even from the meeting today, is that here you are under close scrutiny, there is a lot of attention being drawn to what you do, to the actions of the Board of Directors and the Board of Statutory Auditors and their management data. There is cer-

tainly a perception that the company is not being managed in the best interests of all the minorities, so the hope - as a small shareholder like Bluebell Partners - is really that such conduct should end and that it will be possible to operate in the best interests of the company and focus on winning orders. Thank you".

In response to the question put by Mr Marco Taricco, the Chairman stated as follows:

"Thank you Mr Taricco. I'm responding to a specific point, concerning Iran. I do not know what documentation Prof Mazzoni had, and I don't even know if he was required to receive documentation in relation to this contract. We received documentation from the firm, but it certainly wasn't the contracts or preliminaries or copies of them. So I don't honestly know on the basis of what documentation that Mazzoni makes this affirmation. Thank you".

The director Mr Giuseppe Bivona sought and obtained permission to address the meeting, and stated as transcribed below:

"First of all I'd like to thank Mr de Benedictis because finally we've understood exactly what the particular operation in conflict was. And thanks to the support of Mr Corsi we have learned that the famous 'certain operation' in conflict to which Article 2391 refers was the resolution on the establishment of the Committee within the Board which was to interface with the special administrator, if he was appointed. Let me read exactly what the resolution states: The Chairman pointed out how, taking into account the discussions held that day, he proposed that the *ad hoc* Committee be composed of the Company's General Counsel, the lawyer Filippo Corsi, and the Chairman of the Board of Statutory Auditors, Mr Giacinto Sarubbi. Mr Sarubbi agreed to form part of the *ad hoc* committee provided that the proposed composition just formulated by the Chairman was accepted by Board members unanimously. In the light of the foregoing, the Board of Directors unanimously resolved to nominate Mr Sarubbi and Mr Corsi as members of the *ad hoc* committee responsible for ensuring that the activities between the company and the special administrator nominated by the Court of Genoa were carried out according to criteria of transparency and information for the Board. So I had apparently violated Article 2391 in relation to a specific operation, the violation of which presupposes voting on the specific operation in contravention of the company's interests, but in the interests of the administrator, doing what? Voting unanimously with all the other directors for the resolution proposed by the President Dormer. Thank you, I've finished."

Mr Filippo Corsi sought and permission to speak, and addressing Mr Bivona stated as follows:

"The information is misleading, it's not correct. You read a part of the minutes, not the part where you are requested to give an indication on your disclosure! The resolution that went first - which you forgot to cite - concerns whether or not it is necessary to establish the committee. In those minutes, is there not by chance a prior resolution on whether or not to have a Committee alongside the administrator?

We decided that it was necessary. Then the second resolution was about its composition. The question regarding your conflict of interest was put to you when we had decided whether or not to establish the committee, not on its composition.

There was a vote on whether or not to have a Committee alongside the administrator. There was a vote by raising of hands, in which you voted.

de Benedictis: at this point, I don't think its worth... Let's move on."

The director Mr Fabio Labruna replied as follows:

"This is a bit surreal to me. We're discussing a resolution of the Board of Directors and we have a board member who says, reading the minutes, that the resolution that was adopted is one thing, and the head of legal affairs who says the contrary. So, on this point - since we must take an important vote - Chairman of the Board of Statutory Auditors, you were present, you have a copy of the minutes, can you tell us please whether there was ...

Sarubbi: I don't have a copy here, so let's stop, get the minutes, and we'll read it.

Labruna: let's take the minutes for a moment and read them...

Sarubbi: because look, despite the fact that he took the briefcase that...

Labruna: no, no, but I understand. But I think it's important. You have to be factual about these things. Because I have to tell the truth: whenever we argue... let's be factual. Is there a divergence? Let's see the minutes, let's see the minutes! Thank you.

de Benedictis: Five minutes, let's get the minutes.

Corsi: Regarding the non-existence of the resolution on the advisability of establishing the Committee or not... excuse me a moment ... here, I quote: "the Chairman spoke again, asking that the question of whether or not to establish an *ad hoc* Committee be put to a vote" So it wasn't its composition. It was whether or not to set up an *ad hoc* committee with an advisory function, responsible for liaising with the special administrator appointed by the Court of Genoa to defend the company in the actions brought by the shareholder Elliott aimed at obtaining a reversal of the resolutions on the appointment of the company's current Board of Directors and of its Chairman.

The Board resolved by a majority, with the favourable vote of Board members Mr Bivona and Mr Labruna on the need to set up the said committee. Full stop. There's another resolution. It's not the one he said .... no no no. Mr Bivona: the question - which was the matter that we discussed earlier - was on the existence or otherwise of a resolution prior to the one on composition. There is a resolution.

The subject is having invited Mr Bivona to give disclosure on the existence of his relationships with Elliott, an invitation that was repeated several times, to which no reply was given. You asked that the minutes be read out. I read out the minutes.

Bivona: Actually I apologize, because I forgot that we had voted twice. Mr Corsi is right: we had voted the previous time. The point is that I voted in favour of the Chairman's proposal! Me and Labruna, exactly the names you mentioned, so I was challenged over a conflict of interest, the premise of which is obviously not only not giving the information that I gave, but having voted against the company's interest. And we could talk for hours about what is the company's interest, but there is no need because the company interest which the Chair-

man expressed was whether or not a committee was necessary. And I voted in favour. I... enough! Corsi, it's pointless to... I'd forgotten that that vote existed, I apologise. It's clear, dear shareholders, what the point is, it's clear.

Corsi: perhaps we are misrepresenting a crucial point. The Committee, the creation of the Committee, and the administrator, it was then ascertained in the context of the proceedings before the Court of Genoa, that it wasn't in the interest of the company.

Bivona: the dignity of the company is at stake!

de Benedictis: Thank you. Bivona, excuse me, are you speaking now, sorry, eh. We're the ones that are thinking of the dignity of the company, we don't need you to tell us what dignity is, we are thinking about it, don't worry, thank you. We've finished. Any other responses? Sir! Thank you".

Mr Gianpiero Succi sought and was granted permission to address the meeting, and stated that:

"I concur with what the Chairman was saying just now, i.e. let's end here and vote, because I believe that this shareholders' meeting has been helpful to understand exactly what was being discussed. We are discussing what we have just seen now, I mean we are discussing that obviously there is a governance problem in this company, the fact that there is a director that criticises, there is a Board of Statutory Auditors that responds to the criticism and says: Board of Directors, react, do it, etc. There is a total absence of information on the reactions of the Board of Statutory Auditors, there is a Board of Directors that urgently on 19 December voted a pile of documents like this against Mr Bivona, which as I understand it hadn't been translated; Mr Bivona was not even given the opportunity at that Board meeting to see and discuss the report of the Board of Directors; the impression I get - and I think it was very enlightening and that's why I also asked to read the questions before the representative of Hitachi - and it's a substantial issue, ad that is that Hitachi does not want Mr Bivona in here, because he asks uncomfortable questions. In a normal situation the company wouldn't split itself open with a resolution of this kind. Hitachi could make a derivative liability action, against the minority, and then in the event of victory the company would take all the benefits without the disadvantages of what we have seen now, with all the consequences and with a perfect demonstration of how governance functions. That's it, my proposal is that we put it directly to the vote. I fear one sadly obvious thing, even if I ask... let me make a further comment, apart from the Hitachi shareholder, how really is it aiming to protect the 49% ... because the Board of Directors - but also also the minority directors, not just the majority directors - have a specific duty of care, especially with regard to the minority, which seems to me - from what we've heard about these things - is not taken into account in any way. Thank you".

Mr Raimondo Premonte sought and was granted permission to address the meeting, and states as follows:

"I will try to be brief, and then I'll also explain my vote. So, first of all thank you Mr Chairman for the information you have given us, which enables us to fully understand all the documentation that you have provided to us. I feel obliged to also quickly point out that the concept of "excess of diligence" that has perhaps created some hilarity, was also clear-

ly used in a provocative way, obviously in order to summarise the use, in an unlawful manner, of the rights conferred by the rules to an independent director. In our view, what clearly emerges from the letters is that a director is tending to pursue interests that are contrary and conflicting with those of the company; so I see the general problem. However, despite all the attempts to discredit him by some members of the Board, I would like to point some of the elements that in our view are quite obvious. So: first of all there are the repeated and unjustified complaints regarding the composition of the Internal Committees; Mr Bivona has always contested the fact that the Committee is only made up of directors drawn from a list. We also understand - and Mr Bivona says the same thing - that this composition stemmed from the fact that the independent directors elected from the minority list have refused to be part of these committees, despite the proposed resolution formulated in this regard by the Chairman of the Board of Directors. There has also been repeated and unjustified questioning of the work of the Nomination and Remuneration Committee, regarding the proposed appointment of the Managing Director Mr Andrew Barr. We note that the appointment of Mr Barr to the office of Chief Executive Officer was never subject to any unanimous rejection by the Nomination and Remuneration Committee. That the Committee appears to have provided all the explanations necessary to demonstrate that all the possible candidates had been analysed.

It is also quite clear that there were repeated unjustified complaints about the methods of conducting meetings of the Board of Directors, also during the meetings of the board, in the form of interventions unrelated to the agenda, of a duration that was beyond all reason and which in our view impeded the work of the board. Moreover, as we also saw in the course of this meeting, I have to say therefore... regarding the interventions to the Chairman, we certainly have some criticism. So, despite the many complaints raised by Mr Bivona on the way Board meetings are conducted, we do not think - after carefully listening the report of the Board of Statutory Auditors - that there were any illegalities in the activities of the Board of Directors and its Chairman. Moreover, we see that there were repeated and unlawful communications by Mr Bivona in his capacity as an independent administrator with third parties, asking said third parties to inform the competent authorities of alleged theoretical, abstract, and unsubstantiated pressures that the company - through its directors - allegedly exercised on such third parties. In addition to the groundlessness of such assertions, Mr Bivona made contact with third parties indicating his capacity as an independent director of Ansaldo STS, and therefore representing the company, without - as far as we know - having received any mandate. Moreover, we noted that of the 33-34, I don't know how many petitions, and the thousands and thousands of pages of minutes, the Chairman of the Board of Statutory Auditors - who has our admiration for the enormous effort that he dedicates to the Board - was criticised for not convening a Board of Directors meeting in time regarding the independence of Mr de Benedictis that perhaps would have been appropriate. It was not mandatory, not provided for by law, but maybe it would have been better for the termination of a contract with a CFO to be subject to a Board resolution.

In addition, during the debate, the same Chairman of the Board of Statutory Auditors regarded the matter of the donation as flimsy. We talked for half an hour on the question of the donation. As a representative and majority shareholder, frankly, I would ask that this Board dedicate itself to the business of managing this company, not wasting endless hours and days discussing a donation, whether it was made and whether it wasn't. In the light of all this, the shareholder Hitachi finds that significant evidence exists to find that Mr Bivona has corporate liability pursuant to Article 2392, and accordingly we ask the shareholders' meeting to adopt the appropriate resolutions to grant the Board a mandate to initiate a liability action pursuant to Article 2393. In any case it is obviously implied that the said practical investigation by the Board could and should concern any conduct by Mr Bivona which may be considered contrary to the duties of proper management and thus will not be limited to the conduct listed above, which was purely for the purposes of example. Furthermore, if the conditions exist, we request that - in the event of revocation of the independent director - this shareholders' meeting should proceed to directly replace the director with the appointment as a new independent director of the first non-elected candidate from the slate submitted by Elliot funds at the appointment meeting of the Board of Directors held on 13 May 2016, in accordance with Article 16.5 of the Articles of Association. Thank you".

Mr Carlo Maria Braghero sought and was granted permission to address the meeting, and stated as follows:

"Two questions: from reading the extracts of the minutes that have been made, it would appear that the Chairman proposed things, and someone - in this case Bivona, because he's the incriminated one - voted in favour. Now he's accused because he voted in favour. Frankly it's something that I don't understand. I can't understand it. And I don't understand how - although surely with powers and properly - Mr Corsi speaks, when he is the head of the legal office, and the secretary of the Board doesn't speak. I mean, they're strange things that I don't understand. Besides that, the essence lies elsewhere. The ultimate substance. Hitachi Rail Italy Investments is convinced of what it wants to do, it has repeated the proposal to vote, and disregarding the different proposal by Mr Succi, which would have had the same outcome, and which seemed more tutorist for the company. So I say, OK, let's vote. I don't think it's a matter that will be resolved easily, but if the company is damaged, will Hitachi be responsible for that? Well if you tell me it will be, I'll vote in favour. Thank you".

Mr Arturo Albano sought and was granted permission to address the meeting, and stated as follows:

"I wish to place on record that although the Chairman stated that the responses are to last two minutes, the Hitachi representative spoke for eight and a half minutes. Without the Chairman intervening. The representative of Hitachi also proposed who should join the Board of Directors. It might have been more elegant if he'd at least refrained from making that proposal, as there's a law that says it. However, I wish to place on record that he spoke for 8 and a half minutes... Did he not speak for 8 and a half minutes? Chairman, did you keep the time?

I note that he decided... I note that he decided not to and

that he didn't look at his watch. The 2 minutes only applies to the other shareholders.

Mr Rosa Cipriotti sought and was granted permission to address the meeting, and stated that:

"Since we have been called into question on the composition of committees within the Board of Directors, I wish to give all shareholders an explanation from my point of view of the refusal to participate in committees within the Board of Directors. The Chairman has proposed the establishment of two committees within the Board of Directors with a majority of participants - two of three - made up of members of the Board of Directors chosen from the lists presented by the majority shareholders, in both cases giving the chairmanship of the committee to one of these directors. I, in my position as director elected by the minority shareholders, and called on to protect the interests of the company, am not confident that these interests could be protected in a situation in which the majority of both committees and the chairmanship was entrusted to members appointed from the majority list. Especially with regard to the Control Committee, which is required to ensure the proper conduct of operations with related parties, in such a situation. And I ask the Board of Statutory Auditors to remind us what was the practice in Ansaldo STS in the past. In the past, the governance practice of excellence of Ansaldo STS always established, including in the case of the majority shareholder Finmeccanica Leonardo, that in both committees there was... in one of the two Committees, a majority of representatives chosen from the minority list, and in the other the chairmanship was guaranteed to one of the directors chosen by the minority. So in my opinion, the composition proposed does not represent a safeguard for governance, for a properly managed company.

With respect on the other hand to the question on when the information on the last meeting of the Board of Directors was made available, with regard to the agenda item regarding Mr Bivona, I'd like to say that it was made available to the Board of Directors on the 16th, in Italian and it wasn't translated."

Mr Giorgio Furlani sought and was granted permission to address the meeting, and stated:

"Thank you. These legal matters... I leave them to others, I agree with... I don't remember his name but anyway, the man who coined the term "excessive diligence" Business matters. It's probably true, not enough is said about business in these Board meetings. I have a business matter that I'd like to ask, but I have to ask: the typical induction, that is done with the new directors, was it offered to the directors? "

de Benedictis: it was offered but not accepted by some directors.

Furlani: OK. And how much is business spoken about? How many items on the Board meeting agendas are business?

de Benedictis: I think the attempt is to talk a lot about business, but unfortunately it doesn't always happen.

Furlani: I'm curious to know... I'm asking you, but I'd be curious to know the opinions of others. I'd like to go back to the matter of Iran. I haven't understood the matter of Iran. I understood: was that agreement signed on 19 May? I didn't understand the explanation of the reason why this should pass through the Committee."

In response the Chairman stated as follows:

"The preliminary agreement, a preliminary agreement which is not binding, was signed in May. This essentially enabled the company to launch, in the context of the RTI, the temporary joint venture, which was to be established for the project and which had been designated by Ferrovie dello Stato, because this is a project managed by Ferrovie dello Stato, which had obviously chosen the same industrial components that it had chosen for the TAV, and therefore it included the well-known companies that worked on the TAV, and this would enable these companies to then negotiate their agreement and subsequently submit their bid to the Iranian client. The reason the company did not consider it necessary to go to the Related Parties Committee was: firstly, because this was a preliminary, non-binding agreement, and when it became, in the sense that it was necessary to formalise an offer and then formalise a contractual undertaking we met on August 5th on an *ad hoc* basis; and secondly, because fundamentally the project had the same characteristics as previous bids that had been made, with the previous bidder configuration, if you will, and also the same financial terms. The trains are the same trains that run on the Italian railways and were to be offered to the Iranians on the same terms. Therefore the relationship between Ansaldo STS and, in this specific case, Hitachi Rail Italia, formerly Ansaldo Breda, were the same, no difference, so there was no problem in determining whether this was a new related parties problem that had to be examined. No, there wasn't. They were the same conditions."

In response Mr Giorgio Furlani stated as follows:

"So, let me ask, you said that this was a contract... a something... a preliminary agreement.

Here it says, in one of the letters that the company has made available, so we are not talking about Professor Mazzone's materials - the nature of which nobody is sure - the company has made them available. It talks of exclusive and joint and several liability. Here we're entering into the legal sphere, it's not my subject, but they look like contractual undertakings.

de Benedictis: the exclusive right is simple. Because this was a proposal of Ferrovie dello Stato, which reassembled exactly the same group, so this was the proposal of the Italian system, which was proposed to the Iranians.

Furlani: I don't think that the related parties procedure says that if Italy asks that the contract is done in a certain way, the related parties procedure is not valid.

de Benedictis: no, no, the problem of the related parties is... you look, and if there is a risk of a transfer of values, that is the fundamental issue. Here there was no risk.

Furlani: how do you mean there was there no risk? There was joint and several liability!

de Benedictis: well, in all consortia there is joint and several liability, all consortia that we know that exist in the world, of this type, of these big firms...

Furlani: well I'm sure, but there are related parties.

de Benedictis: well there are, in fact, and the undertaking would have been there and would have been made later, but in any case there was an indemnity, there was an indemnity from each of these operators, towards the others.

Furlani: that's fine, but if two parties are related, I don't



understand how a contract of this type can not go through the Related Parties Committee.

de Benedictis: when we went...

Furlani: yes, we're talking about a contract, sorry, of almost a billion and a half. It's not small change.

de Benedictis: Yes, obviously. A billion and a half almost, but it's certainly not the first and certainly won't be the last.

Furlani: could I have an explanation that makes sense, about why it doesn't need to go to the Related Parties committee? The fact that it's the same as all the others, the fact that it has already been done, the fact that the client is Ferrovie dello Stato and they say that this is the way to do it...

de Benedictis: that's not the way to do it, they are all done this way, this type of contract when there are consortia!

Furlani: OK. So it goes through the Committee. The Committee is formed especially. So, a minority shareholder that has almost 30%, I'm worried that they might pass contracts together with Hitachi, where there is a combination of values.

de Benedictis: but why? Who said that? Where did you read that there's a combination of values?

Furlani: but sorry, if there is a Committee... Is there a Committee or not? Is there a committee for these things or not?

de Benedictis: when there's a risk, it goes. I'll give you a specific example. If Ansaldo has to sell, cede, pass electronic components for trains, OK? In this specific case of Hitachi Rail Italy, that is a contractual relationship between the parties, with which you could have a problem, if you like, of related parties, an aspect relating to related parties. If those conditions are the conditions that have already been established, and discussed and agreed with Ferrovie dello Stato for previous bids, for previous agreements that have been concluded, the issue is no longer relevant because that determination at that time, the commercial terms which were approved by the company or by the then Board, or whatever it was, continue to exist. So we haven't invented anything new in terms of the bid.

Furlani: so, excuse me, may I ask: if terms were approved for contract in Italy for 10 million, do those terms apply to a contract with Iran for a billion and a half, meaning it doesn't have to go through the Committee? You're a businessman, Mr de Benedictis. You understand that I don't understand, in essence? It doesn't make much sense.

de Benedictis: so, many contracts, including ones for 10 million, pass through the Related Parties Committee when they are a new initiative concerning different, new contract terms, that the company establishes with a related party. And so maybe even 10 million ones pass through the Committee. Furthermore, I know - because I have dealt with it - that we have dealt with other contracts in other countries, which now... which I won't talk about, which were different, with new conditions, and we asked for this reason, we asked for comparisons with other bidders, with other bids that were made by the company to third parties, to be sure that the values at stake in this particular bid were absolutely compatible, indeed! That there weren't conditions worse than those made with third parties. This is the type of work that we do from time to time, on the Committee... and it's an in-depth analysis.

Furlani: Look, I'm sure you look at them diligently, but I'm

sure.

de Benedictis: I'll say more: I asked the company to make a contract with an external third party, in order to examine all our internal procedures on related parties, in order to be sure that the procedures we have were up to date, reflect the risks that we might run, and are adequate to reassure the Board and that we're doing everything that needs to be done to ensure that. It's a problem that I'm posing. Nobody asked me to do it, but I asked the firm to do it.

Furlani: thank you, and I'll say to you - but I do not want to be controversial - as an investor, I'm concerned that a contract for a billion and a half, where there is a related party as a co-bidder, let's say, shouldn't be examined by the Related Parties Committee. I'd be much more comfortable if contracts of this size, regardless of whether they are similar to others or not, passed through the supervision of the Related Parties Committee. It seems a fair concern.

de Benedictis: well, I'll say more. Mine is not only the question of related parties; it's also the Control and Risk Committee. Because for me, on Iran, it's much more important to evaluate the overall project risks that the company runs, and then the level of provision, contingency, the timing risk, all the aspects relating to how the relationship is managed with Ferrovie dello Stato, the liabilities with Ferrovie dello Stato, I mean there's a set of things that have nothing to do with related parties, but of which obviously related parties is obviously a part, and they are much more important when it comes to a project of this size.

Anyway, having said all that, this project went before the Related Parties Committee and the Risk Control Committee on 5 August; it was later brought to the Board of Directors and the minutes gives a long explanation from me to the Board of Directors of all the content of the contract, both from the point of view of the related parties and from the point of view of project risks. The bid was finally submitted with a series of conditions that were added by the Board of Directors. In terms of profitability, cash flow, etc. so it's not... we don't do anything at all that is not in the interest...

Furlani: But that's not what I'm saying. I'm just saying, I repeat: as a shareholder ...

de Benedictis: we're talking about the supply conditions within the consortium. We're not talking about anything else. The project contingencies are another thing, and obviously relate to a risk that is different from that of Ferrovie dello Stato. Ferrovie dello Stato chose the Italia system. That's the Italia system.

All the firms work in the context of the Italia system, the big firms work with big projects in this way! No one is exempted, everyone works like that! I mean... then you have no idea what a major engineering company is, eh!

Furlani: Yes, I've finished, allow me just one observation, a shareholder's observation, one who is concerned, as you say, that risks are contained, that the company operates in the best possible conditions, in my opinion it would be better in a hypothetical future in which the same thing should happen again, that instead of on 5 August, the Risk Committee should give an opinion, say on 18 May.

de Benedictis: we didn't have the material before.

Furlani: Sorry, eh. I had understood everything, but when you tell me: the numbers aren't there... here, I do not know if it's a Consob resolution, which says that regardless of whether a price has been agreed...

Sarubbi: excuse me. We're talking about things that are not related to what we're discussing. I say this with great respect, without wanting to hold back in any way. After which there's a quantity of timely, accurate information and executives who are able to give all the explanations about this operation. But I really would ask you to stick to what is on the agenda.

Furlani: okay, sorry, it was a follow up, something you had said, but anyway, let's do the vote, if necessary I'll ask him later...

Sarubbi: no, but there are... sir, look, if you want there are also executives who can give information in detail, you know? But I am just saying... let's stick to the agenda."

Mr Marco Taricco sought and was granted permission to address the meeting, and stated:

"The very last response. In any case, in all of this, throughout this discussion, I have been surprised at the total silence of the Chief Executive Officer Mr Barr, because while I understand that certain issues of the independence of the Vice-Chairman or other issues may be new to him, and therefore I understand that he may decided not to intervene in management issues, an order of this kind that the CEO did not say a word about and just left you to do the talking ... frankly it surprises me. That's it. Thank you".

The Chairman thanked all those who had participated in the discussion and there being no other participant seeking leave to address the meeting, invited those entitled to vote on the liability action, which he read out.

The Chairman again asked participants to declare any lack of entitlement to vote pursuant to law or the Articles of Association and observed that Mr Pratelli reiterated the statements made in his speech regarding the lack of entitlement to vote of the majority shareholder.

The Chairman called on those who did not intend to be included in the formation of the basis for calculation of the majority to leave the venue before voting commenced.

Before proceeding with the vote, the Chairman asked the support personnel to provide him with up-to-date information on attendance and asked those entitled to vote not to leave the meeting until the voting procedure had concluded.

The Chairman announced that there were still 173 persons entitled to vote on their own behalf or by proxy, representing 169,580,478 shares, amounting to 84.79% of 200,000,000 shares that make up the registered capital.

The Chairman asked those present to cast their vote by pressing one of the following two buttons on the televoter:

*favorevole* [in favour]

*contrario* [against]

*astenuito* [abstain]

and then to press the "OK" button.

The Chairman then opened the voting procedure.

On conclusion of the voting process, the Chairman declared voting to have closed and announced the results: the proposal on point 2 on the agenda, concerning the liability action pur-

suant to Article 2393 of the Italian Civil Code against the director Mr Giuseppe Bivona achieved 101,559,387 votes in favour, amounting to 59.89% of the capital participating in the vote, with 67,806,202 votes against, amounting to 39.98% of the capital participating in the vote, with 214,889 abstentions, i.e. 0.13% of the capital participating in the vote, all as indicated on the relevant results sheet which on the request of the Chairman will be appended to the minutes of the meeting, together with a list of the names of voters and the individual votes cast.

The Chairman therefore declared the proposed resolution indicated above to have been approved.

After seeking confirmation from me, the notary, the Chairman declared that, as the liability action against Mr Giuseppe Bivona pursuant to Article 2393 of the Italian Civil Code had been resolved, the said director was accordingly revoked from office and the Board of Directors would proceed to appoint his replacement pursuant to the Articles of Association.

On the request of Ms Sonia Baldelli, the Chairman adjourned the proceedings of the meeting at sixteen hours and twenty minutes.

At sixteen hours and thirty-five minutes the Chairman declared that the meeting was once again in session.

The Chairman announced that there were still 174 persons entitled to vote on their own behalf or by proxy, representing 169,580,479 shares, amounting to 84.79% of the 200,000,000 (two hundred million) shares that make up the registered capital.

The Chairman then moved on to discussion, on the basis of the proposal made by the representative of the shareholder Hitachi and if there were no objections by the shareholders, to the matter concerning the appointment of a director to replace the outgoing director.

The Chairman reminded participants that in cases of replacement of a member of the Board of Directors, applicable legislation and the Articles of Association provided that reference must be made to any further candidates on the list from which the outgoing director was elected.

In this respect, taking account of the fact that the outgoing director was from the list submitted jointly on 21 April 2016 by the minority shareholders Elliott Associates L.P., Elliott International L.P. and The Liverpool Limited Partnership and that furthermore there were a further 3 candidates on the said list, it was necessary to proceed with the appointment according to the progressive order in which they had been indicated, provided that that the regulatory principles on the independence and gender balance had been respected.

The Chairman recalled that the first of the candidates not elected was Mr Michele Alberto Fabiano Crisostomo, a candidate that on the occasion of the presentation of the list had declared that he possessed the independence requirements established by applicable legislation and by the Corporate Governance Code for listed companies established by Borsa Italiana S.p.A.

The Chairman also pointed out that any appointment of Dr. Crisostomo would not affect the regulatory provisions relating to gender balance, that would in any case be complied with.

Therefore, taking account of the indications of the sharehold-

ers concerning the will to proceed here with the replacement of the outgoing director, and the provisions of the aforementioned applicable legislation and the Articles of Association, the Chairman submitted the following draft resolution to the meeting:

"The shareholders' meeting of Ansaldo STS S.p.A., meeting in ordinary session, acknowledging the revocation of a member of the Board of Directors, together with the relevant applicable legislation and the provisions of the Articles of Association

resolves

1. to appoint as a member of the Board of Directors Mr Michele Alberto Fabiano Crisostomo, who shall remain in office until the current expiry of the mandate of the Board of Directors, i.e. until the shareholders' meeting to be convened to approve the financial statements as at 31 December 2018;

2. to award Michele Alberto Fabiano Crisostomo, on the basis of the resolutions of the shareholders' meeting of 13 May 2016, a *pro rata* gross annual salary of €50,000.00".

The Chairman opened the matter for discussion, reserving the right to respond to any questions on conclusion of each intervention.

In order to moderate the discussion more effectively, the Chairman invited those that intended to speak to kindly give the intervention request form that they received for this agenda item on registration to the secretary's office.

Mr Gianpiero Succi sought and was granted permission to address the meeting, and stated that:

"On behalf of Liverpool Limited Partnership, the negative vote on the first resolution remains unaffected and obviously we reiterate the clarification regarding the impossibility for the shareholder Hitachi to cast a vote as it is not entitled to do, so due to its violation of the takeover bid obligation. Thank you".

Mr Carlo Maria Braghero sought and was granted permission to address the meeting, and stated that:

"Given the duration of shareholders' meetings of Ansaldo STS, I think that trying to make them as short as possible may be in the interests of all. So the question that I'm asking is this: should I address it to the shareholder Hitachi, which is the promoter of this whole matter, but I can't communicate with other shareholders, this is correct, is it not? So I turn to you Mr Chairman: has anyone taken care to ensure that Dr. Crisostomo will accept the position? Because, if he does not accept, we have to re-convene the meeting. Thank you".

Mr Matteo Pratelli responded as follows:

"I just wanted to say that as the Elliott Funds we already have the acceptance of Mr Crisostomo for the position, and obviously confirmation that he meets all the independence and eligibility requirements, etc. that he had presented at the time of his candidature.".

The Chairman thanked Mr Matteo Pratelli and there being no other participant seeking leave to address the meeting, invited those entitled to vote on the appointment of a member of the Board of Directors, which he read out.

The Chairman again asked participants to declare any lack of entitlement to vote pursuant to law or the Articles of Association and observed that Mr Pratelli reiterated the statements made in his speech regarding the lack of entitlement to vote of the majority shareholder.

The Chairman called on those who do not intend to be included in the formation of the basis for calculation of the majority to leave the venue before voting commenced.

Before proceeding with the vote, the Chairman asked the support personnel to provide him with up-to-date information on attendance and asked those entitled to vote not to leave the meeting until the voting procedure had concluded.

The Chairman announced that there were still 174 persons entitled to vote on their own behalf or by proxy, representing 169,580,479 shares, amounting to 84.79% of 200,000,000 shares that make up the registered capital.

The Chairman asked those present to cast their vote by pressing one of the following two buttons on the televoter:

*favorevole* [in favour]

*contrario* [against]

*astenuato* [abstain]

and then to press the "OK" button.

The Chairman then opened the voting procedure.

On conclusion of the voting process, the Chairman declared voting to have closed and announced the results: the proposal concerning the appointment to the Board of Directors of Mr Michele Alberto Fabiano Crisostomo achieved 146,646,451 votes in favour, amounting to 86.48% of the capital participating in the vote, with no votes against, 6,846,439 abstentions amounting to 4.04% of the capital participating in the vote, and 16,087,589 non-voters, i.e. 9.49% of the capital participating in the vote, all as indicated on the relevant results sheet which on the request of the Chairman would be appended to the minutes of the meeting, together with a list of the names of voters and the individual votes cast.

The Chairman therefore declared the proposed resolution indicated above to have been approved.

The Chairman - acknowledging that all the items on the agenda of the meeting had been dealt with and that no other participant had sought leave to address the meeting - consigned to me, the notary, to append to these minutes, which are included under the letters respectively indicated hereunder, of which they form an integral and substantive part:

- under letter "A": documentation regarding the first item on the agenda;

- under letter "B": documentation regarding the second item on the agenda and the relevant supplements;

- under letter "C": a list of the names of participants at the meeting;

- under letter "D": responses provided by the company pursuant to Article 127-ter - paragraph 3 - of the Consolidated Law on Finance;

- under letter "E": file on the voting that took place and list of movements of shareholders participating at the meeting.

The Chairman exempted me, the Notary, from reading all the annexes to these minutes, a reading that therefore did not take place, and acknowledged that all the annexes to these minutes form an integral and substantive part hereof.

The annexes were signed by the Chairman and by me the notary on each page.

After this, the Chairman declared the present meeting to be closed at sixteen hours and forty-five minutes, thanking all

participants.

\* \* \* \* \*

The appearing party authorises the processing of personal data pursuant to Legislative Decree 196/2003 as amended and supplemented, declaring himself informed that the data will be incorporated and processed in databases, computer files and electronic systems for purposes relating to this deed and employee formalities.

As requested, I the notary have compiled these minutes, which I have read to the appearing party, who approves them.

These minutes, entirely typewritten by a person of my confidence, occupy one hundred and forty-nine full side and part of the one hundred and fiftieth of thirty-nine sheets.

SIGNED: ALBERTO DE BENEDICTIS

PAOLO TORRENTE notary (Initialled)

ANSALDO STS S.p.A.  
REGISTERED OFFICE IN GENOA: VIA PAOLO MANTOVANI 3 – 5  
REGISTERED CAPITAL €100,000,000.00 FULLY SUBSCRIBED AND PAID UP  
REGISTRATION NUMBER AT THE GENOA COMPANY REGISTER AND TAX IDENTIFICATION NUMBER: 01371160662  
SUBJECT TO THE DIRECTION AND COORDINATION OF HITACHI LTD.

## Ordinary Shareholders' Meeting

19 January 2017

### Explanatory report of the Board of Directors produced pursuant to Article 125-ter of Legislative Decree No. 58 of 24 February 1998

#### **Resignation of the auditing company KPMG S.p.A. and appointment of the new external auditor.**

Dear shareholders,

With respect to the sole item on the agenda, you are being called upon to adopt a resolution on the appointment of the external auditor of Ansaldo STS S.p.A. ("**Ansaldo STS**" or the "**Company**"), following the resignation, received on 14 November 2016 of the external auditor KPMG S.p.A. ("**KPMG**"). It will be recalled that on 7 May 2012 the Shareholders' meeting appointed the said company as external auditor for the financial years 2012 to 2020.

In its letter dated 14 November 2016, KPMG announced its resignation due to its belief that, following the acquisition of control of the company by the Hitachi Group, "*situations may arise that could compromise the independence of the statutory auditor or the auditing company*" as provided by Article 5, paragraph 1, letter (f) of Ministerial Decree 261/2012.

In relation to a notice of resignation, Article 6 of Ministerial Decree 261/2012 provides that a shareholders' meeting must immediately be convened to appoint another external auditor or auditing company in order to comply with the said legislation, which imposes a requirement for continuity in auditing, without prejudice to the fact that the external audit functions must continue to be exercised by the same external auditor until a resolution awarding a new mandate has become effective, and in all cases not later than six months after the date of submission of the resignation.

In view of the foregoing, this report sets out the Board of Statutory Auditors' reasoned proposal, formulated pursuant to Article 13, paragraph 1, of Legislative Decree No. 39/2010.

\* \* \* \* \*



In the light of the resignation of KPMG, it is necessary to appoint another auditing company pursuant to Article 13, paragraph 1 of Legislative Decree 39/2010.

As provided in the said legislation, the Shareholders' meeting, on the reasoned proposal of the Board of Statutory Auditors, grants a mandate for the external audit of the company's accounts and determines the consideration due to the external auditors for the entire term of the mandate, together with any criteria for adjustment of the said consideration during the mandate.

It is advisable that the mandate is awarded for the statutory and consolidated financial statement of the company as at 31 December 2016, in order to avoid possible effects on the relevant judgment pursuant to Article 14 of Legislative Decree 39/2010 which KPMG would be required to give if another company were not mandated to carry out the audit for that financial statement.

Hitachi Rail Investments S.r.l., the controlling shareholder of the Company, had already expressed the hope at the Board of Directors that the audit mandate would be granted to the same company that performs the external audit of its own accounts. This would enable it to plan, with an eye to the future, for the award of mandates at the group level which would serve to rationalise and optimise company costs and improve the efficiency of auditing. Otherwise, the misalignment of auditors would have a direct impact on its activities in relation to the Ansaldo STS Group, both in terms of differences in the organisation of the work between different auditors (with possible effects on the efficiency of the overall audit process) and in terms of higher costs and charges, including procedural costs.

In view of these considerations, the Board of Directors submits for your attention the following reasoned proposal of the Board of Statutory Auditors concerning the appointment of the new external auditor of the accounts for the financial years 2016 – 2024:

***“Board of Statutory Auditor's proposal to the ordinary shareholders' meeting for the appointment of a new external auditor for the period 2016-2024 and for the associated fees.*”**

*Shareholders,*

*On 24 November 2016 the Board of Directors of Ansaldo STS S.p.A. (“Ansaldo STS”) resolved, following the resignation of the auditing company KPMG S.p.A. (“KPMG”) received on 14 November 2016, to carry out all activities and formalities required to submit the appointment of a new external auditor for the period 2016-2024 to the shareholders' meeting convened for 19 January 2017.*

*In relation to the foregoing, pursuant to Art. 13 of Legislative Decree 39 of 2010, as amended, the Board of Statutory Auditors is required to provide a reasoned proposal for the appointment of the new external auditor to be submitted for the approval of the ordinary shareholders' meeting.*

*KPMG is currently responsible for the independent auditing of the accounts of Ansaldo STS under the mandate awarded by the shareholders' meeting of Ansaldo STS on 7 May 2012 for the*

*financial years 2012-2020, ending with the shareholders' meeting convened for the approval of the 2020 financial statements.*

*In its letter dated 14 November 2016 (Appendix 1), KPMG tendered its resignation as external auditor of the Ansaldo STS Group due to the emergence of "situations capable of compromising the independence of the external auditors, as defined in Art. 5 (1) (f) of Ministerial Decree 261 of 28 December 2012."*

*KPMG goes on to clarify that, after thoroughly reviewing the services rendered to the Hitachi Group other than the auditing services, it believes that there are "threats" to its independence that could have effects on the expression of an opinion pursuant to Art. 14 of Legislative Decree 39/2010 concerning the Company's 2016 separate and consolidated financial statements.*

*It is worth noting that previously, on 28 October 2016, the Board of Directors had deemed the notice provided by KPMG in support of the latter's request for termination by mutual agreement to be insufficient and also considered it to be unreasonable to change the external auditor two months before the year end, and therefore had unanimously resolved, with only the Chief Executive Officer abstaining, not to convene the shareholders' meeting to change the external auditor.*

*For this reason, and on the basis of Art. 13 (6) of Legislative Decree 39/2010 - according to which, if a new external auditor is not appointed, the functions continue to be performed by the same external auditor until the resolution appointing the new one has become official and, in any event, for no more than six months from the date of resignation - on 24 November 2016 the board of directors of Ansaldo STS convened a specific shareholders' meeting, at which the shareholders will be asked to appoint a new external auditor for the period 2016-2024 different from KPMG.*

*It should be noted that on 16 May 2016 Hitachi Rail Investments S.r.l., the company's controlling shareholder, had asked the Board of Directors of Ansaldo STS to consider Ernst & Young as an appropriate replacement of the external auditor, since the EY Group is already the auditing firm used by the Hitachi Group at the global level.*

*On the basis of that request, in its letter dated 27 June 2016, KPMG clarified that "this decision is not in conflict with applicable legislation and also represents common market practice in such situations." Accordingly, KPMG confirms that it has "no objection [...] to beginning the process of termination by mutual agreement of the auditing mandate pursuant to Legislative Decree 39 of 27 January 2010 and the Regulation subsequently adopted by Decree of the Ministry of the Economy and Finance 261 of 28 December 2012." EY sent the board of directors of Ansaldo STS a proposal for the provision of independent auditing services to the Ansaldo STS Group for the period 2016 - 2024, illustrating the services that EY is capable of providing to the Group, the costs of those services and information about the professional composition of the proposed working team.*

*The Board of Statutory Auditors met to assess the independent auditors' resignation, in accordance with the law. To this end, discussions were held with managers at KPMG.*

*It then met with EY and reviewed the documentation produced by the latter, so as to identify all potential difficulties relating to a change of auditor after the year had been completed.*

*A summary of the matters discussed is presented in EY's communication of 29 November 2016 (Appendix 2). In particular, it should be noted that at present EY has already conducted a full audit of the consolidated reporting package of Ansaldo STS as at 31 March 2016, has already conducted and completed limited auditing procedures for the quarters ended on 30 June 2016 and 30 September 2016, for the consolidated reporting package of Ansaldo STS, and has begun preliminary work on understanding the internal control system relating to J-Sox.*

*In order to carry out these assignments, EY performed the auditing procedures required by international standards on the opening accounting figures and on the separate and consolidated accounts.*

*In preparing this proposal, following the aforementioned meeting, in the light of the circumstances indicated above, the Board of Statutory Auditors believes that EY was able to acquire an adequate understanding of ASTS Group's accounting processes in order to assure an efficient succession in the auditing activities, having taken into account the timing for calling the mentioned shareholders meeting and that the working team proposed by EY satisfies the requirements necessary to provide valid support to Ansaldo STS in regard to the auditing of the entire Ansaldo STS Group.*

*In addition, the choice of EY as the independent auditors of Ansaldo STS would result in a reduction in the workload of the offices of Ansaldo STS that currently must liaise with two independent auditing firms.*

*In the light of the above, the Board of Statutory Auditors,*

- having acknowledged the resolution passed by the Board of Directors on 24 November 2016,*
- having regard to the grounds set out above for the proposal to appoint a new external auditor for Ansaldo STS for the period 2016-2024,*
- having acknowledged the offer for independent accounting services sent by EY on 26 October 2016,*

*unanimously expresses a favourable opinion on the proposal to appoint EY as the new external auditor of Ansaldo STS. On the grounds set out above, the Board of Statutory Auditors, pursuant to Art. 13 (1) of Legislative Decree 39 of 27 January 2010, proposes that the shareholders' meeting appoints EY as Ansaldo STS's external auditor for the years 2016-2024 under the conditions indicated in the offer submitted by that same auditing firm dated 26 October 2016, as follows:*

- for the first three years, a fee for each year of €660,333.00;*
- for the second three years, a fee for each year of €604,205.00;*
- for the third three years, a fee for each year of €598,163.00.*

*The total fees for all nine years are thus €5,588,103.00.*

*It is worth noting that, for 2016, all activities already performed by the previous external auditor shall be deducted from the mentioned amount, pursuant to EY's communication of 18 November 2016*

*Milan, 15 December 2016*

*For the Board of Statutory  
Auditors*

*The Chairman  
(Giacinto Sarubbi)*



## Attachment 1

KPMG S.p.A.  
Revisione e organizzazione contabile  
Via Francesco Caracciolo, 17  
80122 NAPOLI NA  
Telefono +39 081 660785  
Email [it-fmauditaly@kpmg.it](mailto:it-fmauditaly@kpmg.it)  
PEC [kpmgspa@pec.kpmg.it](mailto:kpmgspa@pec.kpmg.it)

Spettabile  
Ansaldo STS S.p.A.  
Via Mantovani, 3-5  
16151 Genova

Alla cortese attenzione del Dott. Alistair Dormer, Presidente del Consiglio di Amministrazione

e  
Alla cortese attenzione del Dott. Giacinto Sarubbi, Presidente del Collegio Sindacale

Napoli, 14 novembre 2016

Anticipata via PEC: [ansaldosts@legalmail.it](mailto:ansaldosts@legalmail.it)  
[giacintosarubbi@legalmail.it](mailto:giacintosarubbi@legalmail.it)

### Oggetto: Dimissioni dall'incarico di Revisione

Egregi Signori,

facendo seguito alla nostra precedente corrispondenza, con la presente lettera intendiamo portare a Vostra conoscenza le nostre dimissioni dall'incarico di revisione legale conferito alla nostra società di revisione dall'assemblea della Ansaldo STS S.p.A. (di seguito la "Società") per gli esercizi 2012-2020, ai sensi del D. Lgs. 39/2010 (di seguito l'"Incarico di Revisione"), per le ragioni qui di seguito indicate.

A tale riguardo, riteniamo opportuno sottolineare che nel corso dell'esercizio 2016, il Gruppo Hitachi ha acquisito il controllo del Gruppo Ansaldo. Successivamente, ci avete informato della richiesta di Hitachi Rail Italy Investments S.r.l. di nominare Reconta Ernst & Young, revisore del Gruppo Hitachi, quale revisore del Gruppo Ansaldo STS, in ragione di una razionalizzazione e semplificazione dei processi di revisione. Tale scelta non è in contrasto con la normativa applicabile attualmente vigente e rappresenta una prassi utilizzata dal mercato in circostanze analoghe a quelle in cui si trova la Società.

Occorre peraltro considerare che, come a Voi già noto, società appartenenti al Gruppo Hitachi, con sede sia a livello europeo sia a livello extra-europeo, hanno in passato conferito alla nostra società di revisione o a società del *network* KPMG incarichi per lo svolgimento di servizi diversi dalla revisione legale. A tale riguardo, Vi informiamo che



Ansaldo STS S.p.A.  
14 novembre 2016

KPMG ha compiuto una ricognizione di tali servizi anche al fine di valutare eventuali rischi per la propria indipendenza.

Lo svolgimento di tale complessa ricognizione, che è stata ultimata nei giorni scorsi, ha portato la nostra società di revisione a ritenere che, in relazione, ad esempio, alla prestazione di servizi di *Payroll* resi dal *network* KPMG in Repubblica Ceca, sussisterebbero nel caso di specie minacce per la nostra indipendenza che potrebbero avere effetti sull'espressione da parte di KPMG del giudizio ex art. 14 D. Lgs. 39/2010 relativamente al bilancio d'esercizio e consolidato della Società del 2016.

Tale circostanza costituisce una delle ipotesi idonee a determinare la cessazione anticipata dell'incarico di revisione legale. In effetti, l'art. art. 5, comma 1, lett. f), Decreto del Ministero dell'Economia e delle Finanze del 28 dicembre 2012, n. 261 (di seguito il "DM 261/2012") dispone che "*l'insorgenza di situazioni idonee a compromettere l'indipendenza del revisore legale o della società di revisione legale*" configura un'ipotesi idonea a motivare le dimissioni del revisore incaricato.

In ragione di quanto sin qui esposto e all'esito della decisione del Vostro Consiglio di Amministrazione in data 28 ottobre 2016 di non procedere nella risoluzione consensuale dell'Incarico di Revisione, Vi invitiamo a prendere atto delle nostre dimissioni dall'Incarico di Revisione e ad avviare sin d'ora la procedura di cui all'art. 6 DM 261/2012 ai fini del conferimento del nuovo incarico per l'*audit* dei bilanci di esercizio e consolidato della Vostra Società. Merita di essere ricordato che, in conformità a quanto previsto dall'art. 13, comma 6, D. Lgs. 39/2010, opererebbe, in caso di mancata nomina del nuovo revisore, il regime della *cd. prorogatio* per un periodo massimo di sei mesi. In ragione delle cause che hanno portato la nostra società di revisione ad interrompere anticipatamente l'Incarico di Revisione e dei potenziali effetti, sotto il profilo tecnico professionale, che tali cause avrebbero sul contenuto del giudizio ex art. 14 D. Lgs. 39/210 relativa all'esercizio 2016, ed anche al fine di evitare ogni connessa indesiderata conseguenza, anche sul mercato, Vi invitiamo a provvedere alla nomina del nuovo revisore prima della chiusura dell'esercizio in corso o, comunque, al più tardi entro il mese di gennaio 2017.

La nostra società procederà ovviamente senza indugio a fornire al nuovo revisore entrante ogni notizia ed informazione che quest'ultimo riterrà utile ai fini dello svolgimento dell'*audit* relativo al bilancio civilistico e consolidato dell'esercizio 2016, in piena conformità ai termini ed alle modalità previste dalla normativa e dai principi professionali di riferimento ad oggi vigenti.

Rimaniamo in attesa di un Vostro cortese riscontro.

Con i nostri più cordiali saluti.

KPMG S.p.A.

  
Marco Giordano  
Socio

Al Collegio Sindacale di  
Ansaldo STS S.p.A.

Genova, 29 Novembre 2016

Egregio Dottor Giacinto Sarubbi e membri del Collegio Sindacale,

Con riferimento alla nostra proposta di revisione contabile di Ansaldo STS S.p.A. (“ASTS” o la “Società”) per il novennio 2016-2014, formulata in ottemperanza alle disposizioni di cui agli articoli 14 e 16 del Decreto Legislativo del 27 gennaio 2010 n. 39 e della Comunicazione Consob n. 3556 del 18 aprile 1997 (la “Proposta”), emessa in data 21 luglio 2016, integrata dalla nostra comunicazione del 18 novembre 2016 invita al Consiglio di Amministrazione di ASTS ed alla Vostra attenzione, nonché ai colloqui recentemente intercorsi, siamo a rappresentarVi quanto di seguito.

1. Come noto, all’inizio del mese di Novembre del 2015, il Gruppo Hitachi, tramite due veicoli societari (Hitachi Rail Italy Holdings ed Hitachi Rail Italy Investments - ha acquisito da Finmeccanica S.p.A. il 40% del capitale azionario ed il controllo di ASTS. Successivamente, tramite l’OPA e successivi acquisti, la percentuale di possesso è stata portata ad una quota superiore al 50%.

Come noto, EY è revisore del Gruppo Hitachi, che chiude i propri bilanci al 31 marzo. Conseguentemente, nel corso del 2016, abbiamo ricevuto l’incarico di revisione legale dei conti di Hitachi Rail Italy Holdings ed Hitachi Rail Italy Investments e, su istruzioni di EY Giappone, del reporting package consolidato di Ansaldo STS ai fini del bilancio consolidato del Gruppo Hitachi al 31 marzo 2016. Per poter svolgere tale incarico, abbiamo ricevuto formale autorizzazione dal Consiglio di Amministrazione della Società.

Ad oggi, con riferimento a tali incarichi, abbiamo già completato la revisione contabile dei bilanci separato e consolidato della Hitachi Rail Italy Holdings e del bilancio di esercizio della Hitachi Rail Italy Investments, predisposti in conformità agli IFRS, e la revisione contabile completa del reporting package consolidato di ASTS al 31 marzo 2016. Inoltre, nel corso degli ultimi mesi, su incarico di EY Giappone, abbiamo svolto e completato procedure di revisione contabile limitata sui trimestri chiusi 30 giugno 2016 ed al 30 settembre 2016 sul *reporting package* consolidato di ASTS, avviando contestualmente le attività propedeutiche alla comprensione del sistema di controllo interno in ambito J-Sox, anch’esse su incarico di EY Giappone.

Nello svolgimento di tali incarichi, abbiamo svolto le procedure di revisione richieste dagli standard internazionali sui dati contabili di apertura e sui dati societari e consolidati al 31 marzo 2016 e per i due trimestri successivi, coordinando un team di lavoro internazionale.

In virtù di tali incarichi, abbiamo colmato il *gap* conoscitivo che normalmente caratterizza il primo anno di revisione nei casi di transizione da un revisore precedente. I professionisti del *team* responsabile per gli incarichi già svolti hanno avuto modo di comprendere e testare il processo di chiusura del bilancio e le più importanti caratteristiche del sistema di controllo interno inerente la produzione dei dati finanziari societari e consolidati di ASTS, nonché identificato i rischi significativi inerenti il Gruppo, anche tramite incontri con le figure apicali della Società.

Siamo quindi oggi nella posizione di poter confermare un team di lavoro che vanta tale esperienza, riducendo il carico di lavoro richiesto alla struttura di ASTS per supportare le attività di revisione contabile sui bilanci separato e consolidato al 31 dicembre 2016. Non solo, considerando le tempistiche previste dall'attuale calendario finanziario di ASTS per l'esercizio 2016, riteniamo di essere in una posizione unica per poter subentrare al revisore dimissionario e svolgere le attività richieste nel rispetto degli standard qualitativi previsti dai principi di revisione internazionali approvati dalla Consob.

Una società di revisione differente da EY, che dovesse essere incaricata della revisione contabile dei bilanci separato e consolidato al 31 dicembre 2016 di ASTS, si troverebbe infatti nella posizione di dover, fra le altre cose, effettuare sondaggi di conformità sui saldi di apertura, costituire e coordinare da zero un articolato *team* internazionale, acquisire e comprendere la complessa contrattualistica sottostante i più importanti progetti operativi del Gruppo e acquisire la conoscenza, senza basi di partenza, del sistema di controllo interno della Società che soggiace all'informativa finanziaria.

2. Con l'occasione della presente comunicazione, Vi confermiamo che abbiamo in corso da tempo le usuali attività di monitoraggio degli incarichi di EY con il Gruppo Hitachi ed ASTS. Si evidenzia che, alla data della presente comunicazione, risultano attualmente in essere alcuni incarichi che non sarebbero compatibili con il ruolo di società di revisione di ASTS, in quanto società quotata al Mercato Telematico Azionario organizzato e gestito da Borsa Italiana S.p.A.. Inoltre, per altri incarichi, stiamo completando le verifiche interne al fine di comprenderne la compatibilità o meno con il ruolo di revisore. Ci impegniamo formalmente, anche per conto del *network* di appartenenza, a rimuovere al più presto, e comunque non oltre il 31 dicembre 2016, le eventuali cause/situazioni di incompatibilità, ai sensi e per gli effetti della normativa vigente, ovvero a recedere/risolvere da eventuali contratti che costituiscano cause di incompatibilità con l'attività di revisione legale o comunque pregiudizievoli anche potenzialmente dell'indipendenza del revisore.
3. Per quanto concerne l'indipendenza di EY nei confronti del Gruppo Hitachi, anche con riferimento a notizie di stampa da voi citate nel corso dei colloqui intercorsi, va da sé che, per definizione, in qualità di revisori del Gruppo Hitachi non possiamo assumere incarichi che ledano la nostra indipendenza. Più in generale, il nostro sistema di monitoraggio e verifica dell'indipendenza non permette l'assunzione di alcun tipo di incarico nel mondo che possa compromettere, anche solo potenzialmente, la nostra indipendenza, la quale, conseguentemente, è garantita non solo nei confronti del Gruppo Hitachi ma di tutti i clienti di revisione nel mondo.

La nostra procedura per la verifica di indipendenza è un processo che vede coinvolto un *network* internazionale di circa 100 professionisti dedicati allo sviluppo di strumenti per la formazione e per il controllo dell'indipendenza, i quali sono alle dirette dipendenze del *Global Managing Partner* e del *Chairman* dell'area *Quality & Risk Management*. Essi supportano i team ed i clienti nella consultazione su quesiti inerenti l'indipendenza. A supporto di tale processo, disponiamo di specifici *tool* informatici quali il GTAC (*Global Tool for Acceptance and Continuance*) e il GFIS (*Global Financial Information System*), tramite i quali il responsabile della revisione contabile, che risponde anche del rispetto dei requisiti di indipendenza, viene tempestivamente e preventivamente informato circa le richieste d'offerta di ogni servizio effettuate da società del Gruppo Hitachi nei confronti di società del *network* EY, ovunque nel mondo.

Ernst & Young S.p.A.



Enrico Lenzi  
(Socio)



\* \* \* \* \*

In light of the above, we propose that the ordinary General Meeting of Ansaldo STS approve the following draft resolution:

*“The Ordinary General Meeting of Ansaldo STS, having regard to the proposal of the Board of Statutory Auditors, hereby*

*RESOLVES*

*to appoint the auditing firm Reconta Ernst & Young S.p.A. to perform the legal accounting audit of Ansaldo STS S.p.A. for financial years from 2016 through 2024, under the terms and conditions indicated in the offer submitted by the above auditing firm on 26 October 2016 - after having deducted the amounts relating to the activities already performed by the previous external auditor - in exchange for the following consideration:*

- EUR 660,333.00 per year, for the first three-year term of service, save for the 2016 activities, for which the consideration will not exceed € 554,000.00;*
- EUR 604,205.00 per year, for the second three-year term of service;*
- EUR 598,163.00 per year, for the third three-year term of service.*

*Therefore, the total consideration for the nine-year period will amount to EUR 5,481,770.00.”*

\* \* \* \* \*

Genoa, 19<sup>th</sup> December 2016

For the Board of Directors  
The Chairman  
(Alistair Dormer)

Messrs.  
**Ansaldo STS S.p.A.**  
Via Paolo Mantovani, 3-5  
16151 - Genoa  
f.a.o. Company Office

*By fax to No. +39 010/6552055*

*29 December 2016*

**RE: Request to supplement the agenda of the ordinary shareholders' meeting of Ansaldo STS S.p.A. pursuant to Article 126-bis of Legislative Decree No. 58 of 24 February 1998**

Dear Sirs,

We refer to the notice published on 19 December 2016 calling an ordinary shareholders' meeting of Ansaldo STS S.p.A. (the "**Company**") for 19 January 2017 (the "**Shareholders' Meeting**") in a single session, at 11h a.m. at the premises of "FONDAZIONE ANSALDO - GRUPPO FINMECCANICA" at Corso F.M. Perrone No. 118, Genoa, to discuss and pass resolution on the following

#### **AGENDA**

1. Resignation of the auditing company KPMG S.p.A. and award of a new mandate for statutory audit.

By this letter, the undersigned Hitachi Rail Italy Investments S.r.l. ("**Hitachi**") requests that, pursuant to Article 126-*bis* of Legislative Decree No. 56 of 24 February 1998 (the "Consolidated Financial Act" or "**CFA**"), the agenda of the Shareholders' Meeting of the Company be supplemented with the addition of the following item to be submitted to the shareholders' meeting, sitting in ordinary session:

*"Action for liability pursuant to Article 2393 of the Italian Civil Code against the director Dr Giuseppe Bivona. Resolutions pertaining thereto and/or resulting therefrom."*

On the date hereof, Hitachi is the holder of 101,544,702 shares in the Company, amounting to 50.772% - therefore greater than one fortieth - of the Company's registered capital, as evidenced by the certification enclosed hereto as annex "**A**".

An explanatory report setting out the reasons for addition of the item to the agenda of the ordinary Shareholders' Meeting, proposed pursuant to Article 126-*bis*, fourth paragraph, of the CFA is enclosed hereto as annex "**B**".

For any clarification and/or information, please contact the following phone number/email address:

Daniel Mark Phillips  
+447808241693.  
[dan.phillips@hitachirail-eu.com](mailto:dan.phillips@hitachirail-eu.com)

Kind regards,

*[signed]*

**Hitachi Rail Italy Investments S.r.l.**  
From: Daniel Mark Phillips  
In the capacity of: legal representative

Annex A

CERTIFICATION ATTESTING TO OWNERSHIP OF SHARES IN ANSALDO STS S.p.A.  
BY HITACHI RAIL ITALY INVESTMENTS S.R.L.

Communication pursuant to Articles 23/24  
of Bank of Italy/Consob Regulation of 22 February 2008 amended on 24 December 2010

**1. Broker making the communication**

ABI: 03069 CAB: 9400  
Name INTESA SANPAOLO S.P.A.

**2. Participating broker if other than the above**

ABI number (MT account no.)  
Name \_\_\_\_\_

**3. Date of request** 28.12.2016

**4. Date of sending of communication** 28.12.2016

**5. Annual sequential number** 1149

**6. Sequential number of the communication to be rectified/revoked(\*)**

**7. Reason for rectification (\*)**

**8. Name of applicant, if other than the owner of the financial instruments**

**9. Owner of financial instruments:**

Surname or company name: HITACHI RAIL ITALY INVESTMENTS S.r.l.

Name:

Tax identification number: 09194070968

Municipality of birth: Province of birth:

Date of birth: Nationality:

Address: VIA TOMMASO GULLI No. 39

City: 20147 MILAN (MI) State: ITALY

**10. Financial instruments subject to communication**

ISIN: IT0003977540

Name: ANSALDO STS Ordinary Shares

**11. Quantity of financial instruments subject to communication** 101,544,702

**12. Restrictions or entries concerning financial instruments subject to communication**

Nature: Date of: Incorporation: Amendment: Termination:

**13. Date of Reference**

28.12.2016

**14. Effective until**

29.12.2016

**15. Right exercisable**

OD-Article 126-*bis*\* of the  
CLF

**16. Notes**

Certification for the purposes of exercise of the right to add additional items to the agenda of the meeting of shareholders pursuant to Article 126-*bis* of the Consolidated Law on Finance (CLF)

**Intesa Sanpaolo Group Services Scpa**

On the instructions of INTESA SANPAOLO S.p.A.  
Securities Registry and Corporate Actions Office  
[signed]

Annex B

EXPLANATORY REPORT PRODUCED BY HITACHI RAIL ITALY INVESTMENTS S.R.L. PURSUANT TO ARTICLE 126-BIS, PARAGRAPH 4, OF LEGISLATIVE DECREE No. 58 OF 24 FEBRUARY 1998 IN RELATION TO THE REQUEST TO SUPPLEMENT THE AGENDA

Dear Shareholders,

This report has been produced by Hitachi Rail Italy Investments S.r.l. (“**Hitachi**”), as provided by Article 126-*bis*, fourth paragraph, of Legislative Decree No. 58 of 24 February 1998 (the Italian “Consolidated Financial Act”, hereinafter defined as “**CFA**”) in its capacity as shareholder of Ansaldo STS S.p.A. (the “**Company**”), in relation to its request to supplement the agenda of the ordinary Shareholders’ Meeting convened for 19 January 2017 in a single session, with the following item for discussion at the meeting:

*“Action for liability pursuant to Article 2393 of the Italian Civil Code against the director Dr Giuseppe Bivona. Resolutions pertaining thereto and/or resulting therefrom.”*

The request to add an item to the agenda that Hitachi seeks to submit to the ordinary Shareholders’ Meeting of the Company concerns the possibility to take a resolution regarding the corporate liability action against the independent director Mr Giuseppe Bivona in consideration of the Company’s communication to the market dated 20 December 2016 (the “**Press Release**”).

In particular, the said Press Release announced that the meeting of the Board of Directors of the Company held on 19 December 2016 resolved, with a majority decision, - *inter alia* - to “*censure certain conducts of Mr Giuseppe Bivona, a director appointed from the minority list submitted by the Elliott Funds, which constitute a material breach of the director’s duties, as committed with abuse of power and conflict of interest with the Company*”.

In the light of this information, it is deemed necessary to request that the Board of Directors provide to shareholders, during the said Shareholders’ Meeting at the latest, information on the factual evidence of the unlawful conduct of Mr Giuseppe Bivona to which the press release refers, so that the Shareholders’ Meeting may duly evaluate and pass resolution on the liability action against Mr Giuseppe Bivona as provided in Article 2393 of the Civil Code, and consequently establish all the procedural safeguards reasonably deemed necessary to prevent such conduct having an adverse effect on the Company, both in economic terms and in terms of reputation.

As indicated in the Press Release, the conduct of Mr Giuseppe Bivona appears to be in contravention of the duties that characterise the actions of all directors.

Specifically, Mr Giuseppe Bivona is obliged to act, together with the other directors, according to the general principles of proper administration. These principles, which are functional to the correct management of the Company’s business, take the form of an obligation to pursue the company interest without any conflicts of interest, and the obligation to act with a diligence degree that is proportionate with the “nature of their mandate” and their “specific expertise”.

According to the Press Release and to publicly available information, Mr Bivona appears to have pursued, by his conduct, interests other than those of the Company and to that end used his powers as an independent director with an excess of diligence that was not commensurate with the actual specific circumstances.

As far as Hitachi is aware, including with respect to various proceedings brought before the courts by the “minority shareholders” of Ansaldo in relation to the takeover bid and the appointment of the Company’s Board of Directors, Mr Giuseppe Bivona at all times adopted a particularly proactive behaviour, going beyond the tasks of an independent director in a manner intended to arbitrarily obstruct both Hitachi and the Company’s operations, thereby failing to pursue and protect the interests of the Company.

Additionally, as indicated in certain press reports, Mr Giuseppe Bivona submitted several reports to Consob - the Italian Stock Exchange Supervisory Commission - and other authorities, not only against

Ansaldo, but also against other companies of which he is a director or for whose shareholders he acts as a consultant, apparently with the ultimate objective of protecting his own interests and those of his clients, i.e. interests other than those of the Company, and acting in a manner apt to prevent the proper administration by the directors of the Company's business.

Such circumstances appear to be symptomatic of a purely obstructionist conduct on the part of Mr Giuseppe Bivona and denotes a situation of conflict of interest and abuse of power involving Mr Bivona, as assessed by the Board of Directors of Ansaldo during the meeting held on 19 December 2016.

It should also be noted that Mr Giuseppe Bivona holds the position of independent director of the Company and therefore he is a guarantor, together with the other independent directors, of the transparency of the decision-making process within the Board of Directors and of the actual and procedural property of its decisions. In fact, an independent director is responsible for safeguarding the interests of the Company and as such he is required to act without the constraints imposed by the various interests connected with the operation of an enterprise.

Therefore, if the unlawfulness of Mr Giuseppe Bivona's conduct is confirmed, his position vis-à-vis the Company will further deteriorate; as will be definitely jeopardised (i) the independent director's role as guarantor of the Company's interests, and (ii) the fiduciary nature which must always characterise the trust that the Company always places in its management body by virtue of the management relationship.

In the event that a liability action is taken against Mr Bivona pursuant to Article 2393 of the Italian Civil Code, the Shareholders' Meeting will be obliged to take all the appropriate measures as provided by law.

\* \* \*

In conclusion, given the considerations outlined above, and in the event that the Shareholders' Meeting confirms (i) that grounds exist to censure the conduct of Mr Giuseppe Bivona in his capacity as an independent director, and accordingly (ii) that a corporate liability proceeding may legitimately be taken against him pursuant to Article 2393 of the Italian Civil Code, Hitachi hereby formulates the following resolution, without prejudice to any addition that may be deemed necessary by the Board of Directors:

*"The Shareholders' Meeting of Ansaldo STS S.p.A., held in ordinary session, acknowledging the explanatory report produced by the shareholder Hitachi Rail Italy Investments S.r.l. and the observations of the Board of Directors*

***resolves***

- 1. to bring a corporate liability action pursuant to Article 2393 of the Civil Code against Mr Giuseppe Bivona in his capacity as an independent director, in order to obtain compensation for damages he has caused to the Company;*
- 2. to grant the Chairman of the Board of Directors the widest and most appropriate powers to implement the above resolution, bringing and pursuing the said corporate liability action with the terms and by the methods that he deems appropriate".*

In the event that said resolution is adopted, the Shareholder's Meeting shall also take any further resolutions on the appropriate measures to be taken according to law.

**Documentation on the second point on the agenda: “Liability action pursuant to article 2393 of the Italian Civil Code against the director Giuseppe Bivona.”**

On 19 December 2016, the Board of Directors of the Company decided by a majority to censure the conduct of the board member Giuseppe Bivona, with reference to a number of actions emerging, among other things, from the documentation submitted to all of the board members and to the Board of Statutory Auditors. This decision was notified to the public on 20 December 2016.

On 27 December 2016, Hitachi Rail Italy Investments S.r.l. (**Hitachi**) asked the Company to provide the public with *“the documentation and information proving the reprehensible nature of the conduct of the independent director Giuseppe Bivona”*, as reported in the Company’s press release of 20 December 2016, for the purpose of ensuring that *“the shareholders of the Company are duly informed of the grounds forming the basis for censure by the Board of Directors and hence to allow them to adopt any suitable measures with regard to the same Giuseppe Bivona”*.

The request was reiterated on 29 December 2016 with the request by Hitachi to add a point to the agenda of the ordinary shareholders meeting of the Company, called for 19 January 2017, with the addition of the following argument: *“Liability action pursuant to article 2393 of the Italian Civil Code against the director Giuseppe Bivona. Associated and/or consequential decisions.”*

On 29 December 2016, Amber Capital UK LLP *“formally invited the Board of Directors and where relevant, the Board of Statutory Auditors, to guarantee correct and full information to the market, revealing in material terms the accusations directed against Mr Bivona (and hence the conduct that this Board of Directors regarded as infringing the duties of the director), and which action had been taken against the same Mr Bivona (and/or other board members), which could be categorised by this latter party [with a press release circulated by Mr Bivona on 22 December 2016], as intimidatory”*.

We hence submit the documentation listed below on the Company’s website <http://www.ansaldo-sts.com/it/governance/assembleeazionisti/assemblea-nomina-revisore-legale-conti-2017>.

A) Petitions/letters forwarded to the Board of Statutory Auditors, to the Internal Audit function, to the Chairman of the Supervisory Body of the Company, to CONSOB (and often also to Borsa Italiana and to the Public Prosecutor’s Office of Milan), over a period of some 7 months:

- 1) 7 June 2016;
- 2) 9 June 2016;
- 3) 29 June 2016;
- 4) 17 July 2016;

- 5) 2 August 2016;
- 6) 3 August 2016;
- 7) 4 August 2016;
- 8) 5 August 2016;
- 9) 8 August 2016;
- 10) 2 September 2016;
- 11) 4 October 2016;
- 12) 3 November 2016;
- 13) 11 November 2016;
- 14) 4 December 2016;
- 15) 6 December 2016;
- 16) 12 December 2016.

The attachments are omitted.

On this point, we highlight that as at 19 December 2016, the Company was aware of the fact that Mr Bivona had sent a total of 28 letters/petitions, but only had a copy of the 16 petitions listed above and of that indicated under B below (amounting to a total of 17).

B) Letter of 13 December 2016, sent by Mr Bivona to Bruno Cova (attachment omitted).

C) Three letters of 30 September, 4 October and 11 November 2016 respectively, sent by Mr Bivona to Mr Siragusa, the former managing director of the Company.

D) E-mails sent by Mr Bivona to Messrs Nakanishi and Higashihara – Chairman and CEO of Hitachi Ltd respectively - on 14 and 25 August 2016.

E) Extract from the minutes of the hearing of 14 October 2016 before the Court of Genoa (in the proceedings brought by the Elliott Funds against the Company for the annulment of the decision of the shareholders' meeting of 13 May 2016, with which the current Board of Directors of the Company was appointed), containing the declarations made by Mr Bivona.

For the sake of completeness, we highlight that subsequent to 19 December 2016, Mr Bivona sent two further letters/petitions which are hereby submitted:

- 18) 23 December 2016
- 19) 28 December 2016



Attn:

Giuseppe Maria Berruti

Carmine di Noia

Anna Genovese

Paolo Troiano

Giuseppe Vegas

**Commissione Nazionale per le Società e la Borsa – CONSOB [Italian National Stock Exchange  
Supervisory Commission]**

Via e-mail: [consob@pec.consob.it](mailto:consob@pec.consob.it)

Francesca Flore

Maria Letizia Ermetes

Corporate Governance Division Markets Division

**CONSOB**

Via e-mail: [consob@pec.consob.it](mailto:consob@pec.consob.it)

Livia Gasperi

Director of Listed Companies

Supervision Division

**Borsa Italiana S.p.A.**

Piazza degli Affari, 6, 20123 Milan

Cc: Giacinto Sarubbi

**Chairman of the Board of Statutory Auditors – Ansaldo STS**

Enrica Spinardi

Renato Righetti

**Statutory Auditors - Ansaldo STS**

7 June 2016

Dear Sir/Madam,

**Re: Ansaldo STS - Infringement of the Listed Companies Self-Governance Code**

In my capacity as an independent director, I wish to indicate to CONSOB and to Borsa Italiana several decisions adopted by the Board of Directors of Ansaldo STS on 16 and 24 May 2016, likely to impair the

functioning of the mechanisms for the protection of the Corporate Governance<sup>1</sup> structure and the correct course of Ansaldo STS's company affairs, with a consequent potential danger for the minority shareholders and creditors.

I should remind you that Ansaldo STS is a listed company with a market capitalisation of over €2 billion, 49.3% of the share capital of which is held by the market and 50.7% by Hitachi, which has six board members (out of nine), to whom the liability for the decisions taken is entirely attributable, with only them voting in favour.

I request the immediate intervention by the Supervisory Authority to verify the presented facts, so that it may take the necessary measures to protect the shareholders and the market.

## I. Summary of Conclusions

On 16 and 24 May 2016, the Board of Directors of Ansaldo STS, with only the board members nominated by Hitachi<sup>2</sup> (both executive and the so-called "independents") voting in favour, took the following decisions on the points on the agenda (**Appendices 1 and 2**):

1. It appointed the *Chief Operating Officer* of Hitachi Rail (Andrew Barr) (i) Managing Director, (ii) General Director and (iii) Director responsible for the Internal Control and Risk Management System of Ansaldo STS. I point out that the *Chief Executive Officer* of Hitachi Rail (Alistair Dormer) had already been appointed Chairman of Ansaldo STS by the shareholders meeting of 13 May, by virtue of the deciding vote of the shareholder Hitachi;
2. It appointed the Senior Advisor of Horizon Nuclear Power (Katherine Mingay), a subsidiary of Hitachi, as Vice Chairman of Ansaldo STS.
3. It ratified, with the vote in favour solely of the directors appointed by Hitachi, the "*independent*" capacity of the board members de Benedictis and Garaffo, nominated by Hitachi;
4. It attributed to the so-called "*independent*" board members nominated by Hitachi the full control of the committees, including the Risks Committee, which also operates as a Related Party Transaction Committee and the Nomination and Remuneration Committee;
5. It appointed the lawyer of Hitachi Rail [REDACTED] as Secretary to the Board as a replacement of Ansaldo STS' General Counsel (lawyer Filippo Corsi).

The decisions taken represent a departure from the correct functioning of the company bodies, such as to have irreversible repercussions on the management and very life of the company, as well as on its existing or future legal relationships, and this even more so insofar as these are "*self-executing*" decisions, i.e. which have exhausted their own substantive effects, not requiring further executive actions and with an impact which is direct (and effective)

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<sup>1</sup> Self-Governance Code approved by the *Corporate Governance* Committee of Borsa Italiana S.p.A., to which Ansaldo STS adhered with the decision of the Board of Directors of 19 December 2006.

<sup>2</sup> With the sole exception of the appointment of the Vice Chairman, who was unanimously approved by the Board.

and irreversible on the legal relationships of the Company, as in the case of the decision to appoint directors and committees.

The unscrupulous nature of the decisions taken solely with the favourable vote of the board members appointed by the majority shareholder (**50.7% of the share capital**), by virtue of the vote determined by the so-called “*independent*” board members nominated by Hitachi, ensured for Hitachi (i) full control of the management and management control functions and (ii) “colonisation” of the mechanisms which guarantee the interests of all of the stakeholders, including minority shareholders (**49.3% of the share capital**) and creditors.

It is impossible not to see that the premeditated implementation of the above decisions, taken in the exclusive interest of the shareholder Hitachi, appears **as a symptom of and is instrumental** for the implementation of possible future actions in contrast with the interests of the company, with this henceforth determining a situation of danger (not potential but present) and this even more so, considering that:

1. Hitachi is a direct competitor of Ansaldo STS and there is hence the concrete risk that the management and control functions, entirely concentrated in Hitachi’s hand, become subordinated to achieving its private interests, such as the transfer of value from Ansaldo STS to Hitachi Rail, to the detriment of the minority shareholders and creditors;
2. Ansaldo STS is a company that provides engineering services, so that its value is a function of ‘intangible assets’ such as technical and commercial know-how, which could be transferred outside of the company, in the absence of adequate corporate governance mechanisms;
3. In the past, Hitachi has already carried out actions directed towards the pursuit of its own interests, in contrast with the interests of the shareholders of Ansaldo STS, acting in infringement of its legal obligations<sup>3</sup>: on 3 February 2016, CONSOB determined “*collusion between Hitachi Ltd and Finmeccanica for the payment to Finmeccanica for the assignment of shares in this latter company, held by Ansaldo STS at a price above that of € 9.65 paid by Hitachi Rail Italy Investments S.r.l.*”.

We call on the Supervisory Authority to exercise the powers available to it to re-establish the formal and substantive correctness of Ansaldo STS’s corporate governance in the interests of the shareholders, creditors and the market in general.

## II. Preamble: the Shareholders’ Meeting of 13 May 2016

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<sup>3</sup> On 3 February 2016, CONSOB recognised that Hitachi was guilty of having infringed article 106 of the Consolidated Finance Act (TUF), which provides that “*anyone, following acquisitions or increases in voting rights, who comes to hold a stake above a threshold of 30% or to hold voting rights of more than 30% of the same shall launch a public tender offer aimed at all of the holders of securities for all of the shares admitted to trading on a regulated market in their possession*”, specifying that “*the offer shall be made within 20 days at **a price no less than the highest price paid by the offeror**... in the 12 months prior to the notification described in article 102, paragraph 1, for purchases of securities in the same category*” (article 106 of the TUF).

On 13 May 2016, the shareholders' meeting of Ansaldo STS elected the new Board of Directors, consisting of nine directors, of which six nominated by the controlling shareholder Hitachi (**50.7% of the share capital**) and three representing the minorities (**49.3% of the share capital**), exactly as in the outgoing Board of Directors:

- Directors appointed by Hitachi: Alistair Dormer (*Chief Executive Officer* of Hitachi Rail), Andrew Barr (*Chief Operating Officer* of Hitachi Rail), Katherine Mingay (advisor to [REDACTED], a Hitachi group subsidiary), Alberto de Benedictis (*independent*), Mario Garraffo (*independent*) and Katharine Painter (*independent*);
- directors appointed by the minority shareholders<sup>4</sup>: Giuseppe Bivona (*independent*), Rosa Cipriotti (*independent*), Fabio Labruna (*independent*).

Of the nine members comprising the board, six declared that they met the prerequisite of “independent”<sup>5</sup>, i.e. (i) the three board members nominated by the minority shareholders (Bivona, Cipriotti, Labruna) and (ii) three of the six board members nominated by the majority shareholder Hitachi (de Benedictis, Garraffo, Painter).

With the deciding vote of the majority shareholder Hitachi (50.7% of the share capital) on 13 May, the shareholders' meeting had confirmed the *Chief Executive Officer of Hitachi Rail* (Alistair Dormer) as Chairman of Ansaldo STS.

Hitachi is a direct competitor of Ansaldo STS in the signalling sector, as is demonstrated by the participation of both Hitachi and of Ansaldo STS in the same tenders, at least until<sup>6</sup> Hitachi acquired control of Ansaldo STS: for example, on 18 February 2015 [REDACTED] assigned a contract to a consortium of which Hitachi was a member for a [REDACTED] euros, for the construction [REDACTED], a tender in which the consortium led by Ansaldo STS had also participated (**Appendix 3**).

The acquisition of the control of Ansaldo STS by Hitachi may produce significant synergies which Hitachi itself has quantified at around [REDACTED] (**Attachment 4**), so that the concern with ensuring that the value of the synergies is correctly allocated among the shareholders may be regarded as well-founded.

Specifically for these reasons, one of the principal issues discussed by the shareholders who intervened in the meeting of 13 May was the concern that while Hitachi had little more than 50% of the share capital of the company (50.7%), following the failure of the Tender Offer (“**Tender Offer**”), concluded on 21 March with adhesions of only 6.47% (against a declared objective of exceeding 90% and obtaining the delisting of Ansaldo STS), it could exercise undue influence on the management of Ansaldo STS to its own exclusive advantage.

The concern expressed by the shareholders evidently cannot be considered as abstract but concrete, with the possibility of inappropriate management under the “influence” of the controlling shareholder, e.g. establishing the tenders in which Ansaldo STS may participate (and in which it may not), influencing to its own advantage the subdivision of risks and profits for contracts which the two companies may be awarded in a consortium,

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<sup>4</sup> On the basis of the list proposed by the shareholder Elliott (20.5% of the share capital)

<sup>5</sup> With regard to Ansaldo STS, but also with regard to the controlling shareholder Hitachi, which exercises a directing and coordinating role within Ansaldo STS.

<sup>6</sup> 2 November 2015

conditioning in its own favour the commercial strategies of Ansaldo STS, acquiring the technological and commercial know-how developed by Ansaldo STS, using the proprietary information of Ansaldo STS (which is the world leader in its business sector) and more generally, indulging in any conduct likely to attribute to Hitachi a quota of value creation exceeding its effective stake in the share capital (50.7%).

With particular regard to listed companies, the regulations provide for specific obligations of conduct by directors and for specific mechanisms to protect the shareholders of Ansaldo STS, including, among others, the separation of the roles of shareholder and director, the obligation for the directors to act according to standards of professionalism and due diligence, the obligation for the directors to act in the interests of the company, regarded as separate from the predominant interest of a single shareholder, the introduction of independent directors and the establishment of committees formed by independent directors.

With a planned systemic approach, at the two meetings on 16 and 24 May 2016, Ansaldo STS' Board of Directors, solely with the vote of the directors expressing Hitachi's interests, including the so-called "*independents*", *de facto* eliminated (appropriating it) the principal guarantee mechanisms for the correct functioning of corporate governance, with this coming to determine a *de facto* situation that has allowed Hitachi to treat the management of Ansaldo STS (a listed company) as one of its divisions.

**Whence the danger in delay and the need for the authorities in charge to determine the specifically documented facts and take immediate action.**

### **III. Appointment of Hitachi's legal counsel as Secretary to the Board of Directors of Ansaldo STS**

The first point on the agenda of the meeting of the Board of Directors of 16 May 2016 was the nomination of the Secretary to the Board of Directors. On this point, I recall that:

- article 18.2 of the Articles of Association of Ansaldo STS provides that "*at the Chairman's proposal, the board shall nominate a Secretary, including from outside of the company*";
- article 12 of the Regulations of the Board of Directors of Ansaldo STS establishes the role of the Secretary: "*Following the meeting, a draft of the minutes is forwarded to all of the Board Members and Auditors for any observations, collected by the Secretary to the Board. The definitive text of the minutes is then drawn up by the General Secretary, subject to approval by the Chairman and transcribed in the appropriate company register*".

The minutes of the meetings of the board of directors are the only documents reporting the will and decisions of the directors and prove everything that occurred. In addition to reporting what happened and what was perceived by him, the Secretary acts as the "recorder" of other people's activities. The role of Secretary thus has the function of setting down the contents of the facts presented by the Board of Directors: this transforms the substance of what happens into a written document, **but subsequent to the drafting of the minutes, it is then the written document which becomes the substance of what was decided.**

It is impossible not to understand the delicacy of the role entrusted to the Secretary, who, for this reason, must have the characteristics of independence of judgement and absence of conflicts of interest. This position, which is generally performed by the Company's *Chief Legal Counsel*, was held until 16 May 2016 by Filippo Corsi (*Chief Legal Counsel* of Ansaldo STS).

At the proposal of the *Chief Executive Officer* of Hitachi Rail, Alistair Dormer, in his capacity as Chairman of Ansaldo STS, and with the favourable vote solely of the board members nominated by the shareholder Hitachi, including the so-called "*independents*" present on the board, the Board appointed the lawyer of the shareholder Hitachi [REDACTED] to the position of Secretary. **But which shareholder, other than the shareholder Hitachi, can ever have a genuine interest when it is precisely the lawyer of the shareholder Hitachi to carry out a delicate role of guarantee, such as the faithful recording of the minutes of the meetings of the board of directors?**

Lawyer Mr [REDACTED], a founding shareholder of [REDACTED], cannot be considered to have the necessary prerequisites of independent judgement, impartiality with regard to the board members and absence of conflicts regarding the interests of the company (understood as the interests of all of the shareholders and not of one in particular) by virtue of his ongoing professional activity (i) **moreover** carried out for the shareholder Hitachi, (ii) as a legal consultant on actions undertaken by the shareholder Hitachi, acting against the minority shareholders.

In particular, Mr [REDACTED] was Hitachi's legal consultant for the acquisition of the stake in Ansaldo STS, made to the detriment of the minority shareholders through the "*collusion*" confirmed by CONSOB; (b) he represented and defended his client Hitachi in the [REDACTED] procedure pursuant to article 700, brought by the minority shareholder ELLIOTT on 2 May 2016; (c) with reference to the aforementioned procedure, he personally intervened at a hearing on 9 May last to uphold the position of his client Hitachi; (d) he is representing and defending his client Hitachi in the proceedings pending before the Regional Administrative Court (TAR) of Lazio (RG 1968/16) against CONSOB and against three minority shareholders (Bluebell Partners, Amber and ELLIOTT).

It is impossible not to see how the designation and appointment of Mr [REDACTED], even if it may be demonstrated to be legal in formal terms, a point on which I request the opportunity to verify (see below), is entirely inappropriate, insofar as it occurred with a complete disregard for the guaranteeing role characterising the position of Secretary. The shareholder Hitachi, solely with the votes of the board members nominated by itself, including so-called "*independent*" board members, ensured that the minutes of the board meetings were drawn up and signed by the *Chief Executive Officer* of Hitachi Rail (acting as Chairman) and by the lawyer of Hitachi Rail (acting as Secretary).

With regard to the effective legality of the appointment, this presupposes the proper constitution and legitimacy of the current Board of Directors, a point for which I request confirmation, given that in the light of the provisions of article 37 of the Italian Market Regulations, the Board of Directors of companies subject to the direction and coordination by another listed company (which is precisely the case of Ansaldo STS) must consist of a majority of independent board members.

Given that at least two board members nominated by Hitachi as so-called “*independents*” may not be considered as such (see Paragraphs IV and VII), the current Board of Directors consists of (at most) four independent board members out of nine. Consequently, the establishment and legitimacy of the current Board of Directors is not valid and all of the decisions are not legitimate or are subject to annulment starting from the first one, i.e. the appointment of Hitachi’s lawyer as Secretary.

Moreover, what better proof of the absence of “*independence*” can there be than the fact that the so-called “*independent*” board members nominated by Hitachi raised no objections **but on the contrary, approved** the appointment of Hitachi’s lawyer as Secretary, at the proposal of the *Chief Executive Officer* of Hitachi Rail, actually replacing Ansaldo STS’ *Chief Legal Counsel*?

Despite the fact that he had no entitlement to do so and without requesting the consent of the board members, Hitachi’s lawyer took part in the meeting of the Board of Directors of 16 May 2016 **before** he was appointed Secretary by the *Chief Executive Officer* of Hitachi Rail and **before** he was elected Secretary with the votes of the board members nominated by Hitachi. Again without having the entitlement to do so, once Hitachi’s lawyer had become Secretary, he then intervened on several occasions during the meeting of 16 May 2016 (including by means of statements “murmured” to the Chairman and not audible by the other board members), continuing from within the Board to perform his own role as legal consultant to the *Chief Executive Officer* of Hitachi Rail (as well as the Chairman of Ansaldo STS), if not in fact that of a ‘de facto director’.

It is not possible to establish whether Hitachi’s lawyer (and the Secretary) also maintained the same (reprehensible) conduct during the subsequent meeting of the Board of Directors on 24 May 2016, when the meeting of the Board of Directors was called by the *Chief Executive Officer* of Hitachi Rail (in his capacity as Chairman of Ansaldo STS) at the London offices of its lawyer (in his capacity as Secretary of the Board of Directors), with the lawyers nominated by the minority shareholders linked via conference call from Milan: in this way, Hitachi Rail’s lawyer, in his capacity as Secretary, was able to ‘advise’ his own client, using the ‘mute’ button, in order to avoid his own intervention being heard by the board members linked by conference call.

For the sake of completeness, it should be stated that not only was the appointment of Hitachi’s lawyer as Secretary inappropriate, but it was also reprehensible from the perspective of professional ethics for the interested party to accept the appointment. In order to assess the fact in full, we request that the Supervisory Authority acquire the fees billed by the firm GOP to Hitachi over the last 18-24 months.

#### **IV. Independence Requirement of the Board Member De Benedictis**

The second point on the agenda of the Board of Directors of 16 May 2016 provided for the verification of the requirements of independence of the directors, including Alberto De Benedictis, who was nominated by Hitachi. The independence requirement must be determined not only with regard to the issuer (Ansaldo STS) but also with regard to Hitachi, as a party holding control (50.7% of the share capital) and performing direction and coordination.

Solely with the favourable vote of the board members appointed by the shareholder Hitachi<sup>7</sup>, the Board approved the verification of the prerequisite of independence of the board member Mr De Benedictis, a singular fact considering that (i) Mr De Benedictis (see CV, **Appendix 5**) worked for the Finmeccanica Group for 34 years, from 1981 to 2015, until 2015 holding positions of responsibility, latterly as the manager of Finmeccanica UK and (ii) Hitachi took control of Ansaldo STS on 2 November 2015, notably by virtue of the acquisition of the controlling stake (40%) held by Finmeccanica.

It is impossible not to see how Mr De Benedictis cannot be considered as “independent” or as a party “*who does not maintain and has not recently maintained relations, even indirectly, with the issuer* [Ed. - or with the parent company i.e. neither with Ansaldo STS nor with Hitachi] *or with parties linked to the issuer* [Ed. - Finmeccanica], *such as to condition his current independence of judgement*”<sup>8</sup>

- (i) the relationship between Finmeccanica and Hitachi, likely to influence the independence of judgement with a pre-established interest contrasting with the interests of the minority shareholders and in favour of Hitachi shall not be sought in the respective roles of the seller (Finmeccanica) and the acquirer (Hitachi) in the purchase and sale of the stake, but in the confirmed **collusive** understanding through which this purchase and sale was executed to the detriment of the minorities;
- (ii) the collusive relationship between Finmeccanica and Hitachi was acknowledged not only by the Supervisory Authority but also by the judicial authority which, in an order of the Companies Court (judge Roberto Braccialini, RG 5973/2016, 11 May 2016) actually attributed “*validity as admission*” (**Appendix 6**) to the items submitted to the proceedings by the minority shareholder (ELLIOTT), which had brought the action against Hitachi;
- (iii) the collusive agreement (determined by CONSOB) between Finmeccanica and Hitachi, giving rise to the acquisition of Hitachi’s control of Ansaldo STS, gives rise to an alignment of interests, still in effect today, between Finmeccanica and Hitachi, in conflict with the interests of the minority shareholders of Ansaldo STS, as demonstrated by the fact that on 16 March 2016, Finmeccanica also challenged (**Appendix 7**) before the Regional Administrative Court of Lazio, the measure with which CONSOB had acknowledged the existence last 3 February of the collusive agreement, with it ordering Hitachi to increase the price of the tender offer (a measure, the economic effects of which with regard to the minority shareholders of Ansaldo STS only related to Finmeccanica and Hitachi);
- (iv) regardless of the collusive relationship linking Finmeccanica to Hitachi, the proof of which is the existence of administrative proceedings in progress and, according to the media, the existence of criminal investigations relating to both companies (**Appendix 8**), Finmeccanica and Hitachi are linked by contractual relationships in the transport sector (Assignment of Breda) involving payments of hundreds of millions of euros from

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<sup>7</sup> With the exclusion of the board member Garraffo, who was absent.

<sup>8</sup> Self-Governance code approved by the *Corporate Governance* committee of Borsa Italiana S.p.A., to which Ansaldo STS adhered with the decision of its Board of Directors of 19 December 2006.



Finmeccanica to Hitachi (**Appendix 9**), as a function of achieving particular volume and margin objectives in Hitachi's railway division, which also includes Ansaldo STS (*"a Hitachi Group Company"*);

- (v) despite having *"recently [Ed. - until 2015] maintained"* relations with Finmeccanica (which in turn maintained and maintains ties with Hitachi, controlling shareholder of Ansaldo STS, as has already been inferred), with this sufficient to negate his independence, Mr De Benedictis still maintains direct links with the Finmeccanica group. The board member (i) indeed declared at the board meeting of 16 May 2016 that a number of economic matters were pending with Finmeccanica (without specifying either the nature or entity of the same, on which point, I request confirmation from the Supervisory Authority) and (ii) appears to have a sister [REDACTED], who still works for the Finmeccanica Group, **a fact concealed by the interested party** despite having been asked during the sessions of the board to specify his relationships with the Finmeccanica Group;
- (vi) the Self-Governance Code expressly provides for the determination of the *"independence of its non-executive members, more with regard to substance than to form"*, with this sufficient to demonstrate the absence of independence of the board member Mr De Benedictis, as inferred in points (i)-(v), but also identifies several situations symptomatic of the absence of independence, including the fact that *"the board member [Ed. - De Benedictis] was an employee during the previous three financial years"* [Ed. - 2012, 2013 and 2014] of a party (Finmeccanica) that *"during the previous financial year [Ed. - 2015] had a significant commercial, financial or professional relationship"* with the issuer (Ansaldo STS), even exercising control of the same (Self-Governance Code, 3.1.C, item c);
- (vii) the Self-Governance Code excludes the requirement of independence of Mr De Benedictis, also by virtue of a second fact: the board member is a *"close relative of a person [Ed. - REDACTED] in one of the situations described in the previous points"*, i.e. is an *"employee"* of a party (Finmeccanica) that, *"during the previous financial year [Ed. - 2015] had a significant commercial, financial or professional relationship"* with Ansaldo STS (Self-Governance Code, 3.1.C, item h).
- (viii) the assessment of *"independence"* fundamentally constitutes an assessment of *ex ante* type on the premise of autonomy with regard to Ansaldo STS and Hitachi. Given that for the reasons set forth, Mr De Benedictis cannot be considered *ex ante* as meeting the prerequisite of independence, his attitude at the two board meetings in which he participated confirmed *ex post* the absence of independence, since he had passively complied with the will of the *Chief Executive Officer* of Hitachi Rail (Alistair Dormer), in his capacity as Chairman of Ansaldo STS, in attributing to parties reporting to Hitachi or nominated by Hitachi, or who were found to be tied to Hitachi by virtue of professional relationships (a) the role of Managing Director, (b) the role of General Manager, (c) the role of Vice Chairman, (d) the control of the Risk Committee and Related Party Transaction Committee, (e) the control of the Nomination and Remuneration Committee and (h) the role of Director responsible for the Internal Control and Risk Management System and *ad abundantiam* [for the sake of completeness], even the role of Secretary to the Board.

## V. Formation of the Control and Risk Committee and the Nomination and Remuneration Committee

The fifth and sixth points on the agenda for the Board Meeting of 16 May 2016 provided for the (i) appointment of the Control and Risk Committee and its Chairman; and (ii) the appointment of the Nomination and Remuneration Committee and its Chairman.

The Control and Risk Committee also operates as the Committee for Transactions with Related Parties, performing the duties incumbent on it, as provided in the “*Procedure for transactions with related parties*” (Appendix 10) approved by Ansaldo STS’ Board of Directors on 26 November 2010<sup>9</sup>. The Related Party Transaction Committee carries out an extremely delicate guarantee function since, among other things, it is called on to intervene in the transactions of Ansaldo STS with the controlling shareholder Hitachi:

- unless this relates to more significant operations which are the preserve of the Shareholders’ Meeting or which must be authorised by it, the Board of Directors of the Company has authority to decide on the approval with related parties “*subject to a grounded favourable opinion of the Committee which is binding*” (see 6.2.1 Procedure on transactions with related parties, Ansaldo STS);
- if the Board of Directors intends to submit the most significant transactions with related parties to the Shareholders’ Meeting despite an opinion to the contrary or in any case, without taking account of the points formulated by the Related Party Transaction Committee, “*the transaction may not be completed when the majority of independent voting shareholders expresses a vote against the operation*”<sup>10</sup> (see 6.2.5 Procedure on transactions with related parties, Ansaldo STS);

Hence, the favourable opinion of the Committee for Transactions with Related Parties regarding a more significant operation between Ansaldo STS and Hitachi would remove the requirement for the board (within which Hitachi has a majority) to request and obtain the approval of the shareholders’ meeting called on to decide without Hitachi’s vote.

It is entirely evident that if Hitachi were to assume control of the Related Party Transaction Committee, i.e. the committee called on to decide on all of the transactions relating to Hitachi, the controlling shareholder but also the competitor of Ansaldo STS, one of the principal guarantee instruments protecting the company’s interests would fail, with this to be understood as distinct from the particular interest of the individual shareholder (Hitachi).

**This is exactly what happened by virtue of the decisions approved by the Board of Directors on 14 May 2016, solely with the favourable vote of the board members appointed by Hitachi, including the so-called “independents”:**

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<sup>9</sup> Pursuant to article 2391-*bis* of the Civil Code and Article 4, paragraph 1 and 3 of Consob Regulations containing provisions on transactions with related parties, adopted with decision No. 17221 of 12 March 2010 and subsequently amended with decision No. 17389 of 23 June 2010.

<sup>10</sup> Albeit on condition that the unrelated shareholders present at the Shareholders’ Meeting represent at least 10% of the share capital with voting rights.

1. On 13 May 2016, the shareholder Hitachi appointed six directors out of nine at the meeting by virtue of its absolute majority (50.7%), of which three were nominated as so-called “*independents*”;
2. Solely with the favourable vote of the board members appointed by Hitachi (and the vote against of the three directors appointed by the majority shareholders) the Board of Directors ‘self-approved’ the verification of the prerequisites for independence of the board members De Benedictis (Paragraph IV) and Garraffo (see Paragraph VII) nominated by Hitachi.
3. At the proposal of the *Chief Executive Officer* of Hitachi Rail (in his capacity as Chairman of Ansaldo STS), with the favourable vote solely of the board members nominated by Hitachi, the board of directors approved the decision that **both** the Control and Risk Committee (also functioning as the Related Party Transaction Committee) **and** the Nominations and Remuneration Committee would consist of three “independent” board members, of whom **two (or the absolute majority) would be appointed by Hitachi, with the role of Chairman also to be attributed to one of these two;**
4. The *Chief Executive Officer* of Hitachi Rail went so far as to decide and propose which of the elected board members ‘should’ in his view, join the committees, i.e. Ms Cipriotti on the Risk Committee and Mr Labruna on the Nominations Committee.

In the face of this ‘farce’ - I cannot recall from memory the formation of committees of listed companies comparable to Ansaldo STS by market capitalisation, business volume and competitive position between the company and the controlling shareholder with such contempt for the functions guaranteeing the interests of the minority shareholders - none of the board members elected by the minority shareholders (Bivona, Cipriotti, Labruna) offered to join the committees ‘proposed’ by the *Chief Executive Officer* of Hitachi Rail (in his capacity as Chairman of Ansaldo STS) in a manner predetermined to represent the pre-established interests solely of the shareholder Hitachi: the Board of Directors thus appointed two identical committees, composed of the three so-called “*independent*” board members appointed by Hitachi (de Benedictis, Garraffo, Painter) who, in agreeing to join them, provided further evidence of their effective degree of independence.

## **VI. Exercise of Legal Representation, in contrast with the interests of the minority shareholders**

The documentation acquired by the board members during the meeting of the Board of Directors of 16 May 2016 revealed a blatant abuse of the legal representation activity by the party that (allegedly) materially acted in the name and on behalf of Ansaldo STS, by virtue of **statements that did not match the facts**. This is an extremely serious occurrence and a further indication of the conduct of the company’s affairs (the issue relates to the previous Board of Directors, in office until 13 May 2016, also with a Hitachi majority, the Chairman of which at the time was the *Chief Executive Officer* of Hitachi Rail, Alistair Dormer).

To take a step backwards: on 9 May 2016, Ansaldo STS had filed an entry of appearance before the Court of Genoa in the appeal proceedings brought pursuant to article 700 by the minority shareholder ELLIOTT against the

majority shareholder Hitachi. Ansaldo STS had defined itself as “*substantially uninvolved in the grounds for the grievance of the claimants*” declaring “*its sole and only interest*” as that of “*the correct conduct of the company’s affairs*” (Appendix 11).

In the appeal to the Court of Genoa, the minority shareholder ELLIOTT had adduced among the reasons for danger in delay, Hitachi’s intention to “*appoint its own employees as directors of Ansaldo STS, including Mr Andrew Barr, who, **from what we have learnt from the specialist media**, was due to be appointed managing director in the place of the resigning Stefano Siragusa... **notwithstanding the fact that his appointment had already been unanimously rejected by the Nomination and Remuneration Committee** of Ansaldo STS, composed of three independent directors*” (Appendix 12).

The brief by the shareholder ELLIOTT referred to an article which had appeared in the edition of *Il Sole 24 Ore* of 16 March 2016 (Appendix 25), in which the journalist had repeatedly written that the Appointments Committee had “*rejected*” the candidature of Andrew Barr, proposed by Hitachi, to take the position of the outgoing Managing Director (Stefano Siragusa). Moreover, the news item, which was impeccably correct, had not been denied.

In its reply brief, Ansaldo STS refuted the comments of the minority shareholder ELLIOTT and what had been correctly reported by the press, declaring that “*the media news regarding the alleged ‘unanimous rejection’ by the Nomination and Remuneration Committee of Mr Barr is unfounded and does not correspond to the truth. On 4 March 2016, the Committee unanimously decided: ‘to consider that Mr Andy Barr was a valid applicant to succeed Mr Siragusa’*” (Appendix 11).

Given this, during the board meeting of 16 May 2016, the board members inspected the minutes of the meeting of the Nomination and Remuneration Committee, which took place on 15 March 2016, in which, with reference to the succession of Mr Siragusa, it stated that: “**from a technical, managerial and relationship perspective, the Committee unanimously considers that it is thus preferable to choose an internal solution to the succession of Mr Siragusa...** in the light of the above, the Committee unanimously suggests that the Board selects one of the two internal applicants. [REDACTED] (Appendix 13).

Hence, contrary to what was declared in the name and on behalf of Ansaldo STS 9 May 2016, before the Companies Court (Genoa), from the minutes of the Nomination Committee of 15 March 2016, it emerged that the Committee had **unanimously rejected** the application by Andrew Barr (*Chief Executive Officer* of Hitachi Rail) proposed by the shareholder Hitachi for the position of Managing Director, **a fact concealed from the Genoese judge**, preferring two other applications, **being unable to refute seriously that in the face of a single available position of Managing Director and three applicants, the decision to give priority to two applications over Mr Barr represented a clamorous rejection of his application.**

Moreover, Mr Andrew Barr had already been defined at the previous meeting of the Nomination Committee (4 March 2015) as a “*less solid candidate than those internal to the company, with particular reference.* [REDACTED] (Appendix 14).

The representation at the Court of Genoa of 9 May 2016, refuted by the truth of the facts specifically documented herein, shows that those who (allegedly) acted in the name and on behalf of Ansaldo STS, whose majority on the Board of Directors (six members out of nine) was, both then and now, an expression of the shareholder Hitachi, had not only failed to meet their obligation to maintain third party status with regard to the “*grievances of the claimants*” but had acted in conflict with the interests of the company, which certainly could not be considered as that of (a) concealing from the Court of Genoa the contents of the minutes of 15 March 2016 and (b) misleading the judge by concealing the fact that the application by Mr Andrew Barr had been “*unanimously*” rejected, insofar as the previous Nomination and Remuneration Committee had preferred both of the other candidates “*from a technical, managerial and relationship perspective*”.

On the basis of the Articles of Association of Ansaldo STS (article 25), the Chairman of the company is responsible for representing it, i.e. both then (9 May 2016) and now, Mr Alistair Dormer, Chief Executive Officer of Hitachi Rail.

## **VII. Verification of the prerequisites of integrity, professionalism and independence on the part of Mr. Mario Garraffo**

The first item on the agenda of the meeting of the Board of Directors of 24 May 2016 related to verification of the prerequisites of integrity, professionalism and independence on the part of the board member Mario Garraffo (absent from the previous meeting of 16 May 2016).

Mr. Garraffo in no way satisfies the prerequisites of independence for three reasons: (i) he has professional ties with [REDACTED], one of Hitachi’s principal industrial partners; (ii) he has displayed omissive, contradictory and reticent behaviour with regard to the Board called on to determine his prerequisites of integrity, professionalism and independence; (iii) he has demonstrated a ‘de facto attitude’ of a ‘non-independent’ board member, having systematically complied with the voting indications of the executive board members nominated by Hitachi since he joined the Board of Directors of Ansaldo STS on 25 November 2015 (a position which was then confirmed by the shareholders’ meeting of 13 May).

### Mr. Garraffo’s ties with Hitachi’s Commercial Partner

As is known, in November 2015 I had already reported to the Supervisory Authority precise elements of information useful for evaluating the effective absence of the prerequisites of independence of Mr. Garraffo, who was co-opted on 25 November 2016 by the previous Board of Directors, pursuant to article 2386 of the Civil Code. In particular, I indicated facts and circumstances to which the Board of Statutory Auditors also then objected, which had “*confirmed the existence of strong commercial ties, also in the form of a JV between the Hitachi group and [REDACTED] of which Mr. Garraffo had been a notable member for years, still holding the position of independent board member of [REDACTED]*” (Report of the Board of Statutory Auditors of Ansaldo STS, 29 March 2016, **Appendix 24**).

Mr. Mario Garraffo historically maintained and even today still maintains professional links with [REDACTED], in which he held important executive positions, including, between 1993 and 1998, that of *Chairman*

of [REDACTED], Senior Adviser of [REDACTED] and, **from 2012 to the present day**, that of Board Member of [REDACTED]

The link with [REDACTED] represents a fundamental element for evaluating the effective “*independence*” of Mr. Garraffo, since the [REDACTED] and the Hitachi Group have very close commercial relations and in some sectors, actually operate as a partnership. I am referring to the [REDACTED] joint venture, active since 2007 and operating throughout the world, with annual revenues of over US\$1 billion (**Appendix 15**).

The demonstration of how the link between Mr. Garraffo and [REDACTED] Hitachi’s partner) confounds the premise of independence with regard to Hitachi, by virtue of the *joint venture* between [REDACTED] and Hitachi in nuclear power is (paradoxically) further proven by the position of another board member of Ansaldo STS nominated by Hitachi: Ms Katherine Mingay.

Indeed, the Board Member Ms Mingay (correctly) did not claim to qualify as an “independent”, given that, as shown from the CV submitted by Hitachi (**Appendix 16**), she is the “*Senior Consultant of the company: [REDACTED], a company controlled by Hitachi*”, a company which develops new generation nuclear installations.

The relationship between [REDACTED], Hitachi and [REDACTED], fully explained by [REDACTED] itself, [REDACTED] has a “***contractual relationship***” with [REDACTED], which “*provides the technology for the reactor [Ed. - the heart of a nuclear installation] and as such, is the principal (“Tier 1”) contractor of the company*”<sup>11</sup>:

[REDACTED]

**Despite the fact that, as previously recalled, the undersigned party has already challenged the “independence” of Mr. Garraffo in the past, by virtue of the link between [REDACTED] and Hitachi, the existence of “contractual relations” between the joint venture and companies directly controlled by Hitachi represents a new element, which strengthens the link already highlighted in the past.**

With a complete lack of consistency, Katherine Mingay, who is a consultant to [REDACTED], does not qualify as “*independent*” with regard to Hitachi, while Mr. Garraffo, who has historically held much more *senior* roles within [REDACTED] and is currently a board member of a company of [REDACTED], which has a joint venture with Hitachi, in turn linked by a primary (“Tier 1”) “***contractual relationship***” with companies of the Hitachi group, including [REDACTED], for which Katherine Mingay is a consultant and therefore cannot be regarded as independent, is considered to be “*independent*”.

The importance of the *joint venture* between [REDACTED] and Hitachi in nuclear power, a strategic sector both for the Hitachi group and for [REDACTED], also lies in the fact that Hitachi nominated a consultant of [REDACTED] - which has its primary (“Tier 1”) “***contractual relationship***” with GE, as Vice Chairman of Ansaldo STS.

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<sup>11</sup> [REDACTED]

*Reticence and Omissions in the declarations of Mr. Garraffo at Board Meetings*

Mr. Garraffo showed omissive and reticent conduct when asked at a Board Meeting on 24 May 2016 to report on his holdings in private companies in [REDACTED], an item of information useful for acquiring all the necessary elements for assessing his “***prerequisites of integrity, professionalism and independence***”.

Mr. Garraffo expressly declared at the Board Meeting of 24 May 2016 that his economic interests had been presented in the CV submitted by Hitachi (**Appendix 17**), specifying that he was a shareholder of the company [REDACTED], a company [REDACTED] was on the board of numerous companies [REDACTED] without owning any shares therein.

In the face of my **repeated question** as to whether he was a shareholder in any businesses not mentioned in his CV, Mr. Garraffo **repeatedly denied the fact**.

**At this point, I asked Mr. Garraffo whether he was a shareholder of the company [REDACTED] and the board member admitted that he was. I then asked Mr. Garraffo whether he was a shareholder of the company [REDACTED] (specialising in the supply of drinking water), and again Mr. Garraffo declared that he was a indeed a shareholder, thereby once more demonstrating that he had not previously replied in a correct and truthful manner.**

In view of the lack of clarity in the declarations made, I asked the Supervisory Authority to shed full light on which are the companies the [REDACTED] (or elsewhere) of which the board member Mr. Garraffo is a shareholder and **who are his business partners**, verifying his position with regard to the companies [REDACTED] (and any other company of which Mr. Garraffo may prove to be a shareholder, without having declared it in the submitted CV) **precisely reconstructing the chains of control for the purpose of assessing possible relationships that are detrimental to the prerequisites of integrity, professionalism and independence.**

Needless to say, even in the face of manifestly **omissive and reticent** information, all of the board members appointed by the shareholder Hitachi (both the executive ones and the so-called “*independents*”<sup>12</sup>) unanimously approved the inspection of the prerequisites of integrity, professionalism and independence of the board member Mr. Garraffo (nominated by the shareholder Hitachi), with only the three board members nominated by the minorities voting against.

*Absence of Independence of Mr. Garraffo: A De Facto Situation*

From a first summary reading of **all** of the decisions taken by the Board of Directors of Ansaldo STS, acquired by me in the meantime, starting from the moment of his appointment (25 November 2015) until the last board meeting in which he participated (24 May 2016), it was found that Mr. Garraffo **always complied** with the vote of the executive board members designated by Hitachi, with this demonstrating the ‘de facto behaviour’ of a non-independent board member.

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<sup>12</sup> Mr. Garraffo abstained from the vote concerning him.

On this point, I should point out that according to the Self-Governance Code<sup>13</sup>, “*the qualification of the non-executive director as independent... indicates a **de facto situation**” i.e. effective independence of judgement, in an autonomous and unconditional manner.*

I thus ask the Supervisory Authority to acquire all of the minutes of the meetings of the Board of Directors of Ansaldo STS in which Mr. Garraffo participated from 25 November 2015 onwards, in order to determine the “**de facto situation**” demonstrating his lack of independence.

\*

**Notwithstanding the fact that each of the three situations reported separately is singularly indicative of an absence of independence, taken together (i.e. a “de facto situation” proving the systematic nature of the voting declarations in compliance with the executive board members of Hitachi, together with an omissive and reticent attitude with regard to the board members about his own economic interests, accompanied by a proven professional relationship with Hitachi’s historic partner) they led to the incontrovertible recognition of the so-called “independent” position of the board member Mr. Garraffo.**

#### VIII. Appointment of the Managing Director

The second item on the agenda of the meeting of the Board of Directors of 24 May 2016 related to the appointment of the Managing Director.

The “*independent*” board member, Katharine Rosalind Painter, appointed Chairwoman of the Nomination and Remuneration Committee at the proposal of the *Chief Executive Officer* of Hitachi Rail Alistair Dormer, elected solely with the favourable votes of the board members designated by Hitachi, declared to the Board that after “**a long discussion, the Committee unanimously agreed to recommend to the Board that Andrew Barr** [Ed. - *Chief Operating Officer* of Hitachi Rail] **should be appointed Managing Director**”.

From the subsequent discussion and in particular, from the replies provided by the Chairwoman of the Nomination and Remuneration Committee to the questions submitted (**solely**) by the independent board members appointed by the minorities, the following emerged:

- (a) the Nomination Committee did not draw up any list of requirements for assessing potential applications;
- (b) the Nomination Committee did not analyse the profiles of the managing directors of the principal competing companies, in order to identify the best characteristics for the Managing Director of Ansaldo STS;
- (c) the Nomination Committee did not make any assessment of the appropriateness of appointing a head-hunter to define the most appropriate profile and to identify potential applicants;
- (d) the Nomination Committee did not meet Mr Andrew Barr;
- (e) the Nomination Committee did not meet any other applicant;

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<sup>13</sup> Self-Governance code approved by the *Corporate Governance Committee* of Borsa Italiana S.p.A., which Ansaldo STS adopted with a decision of the Board of Directors of 19 December 2006.



- (f) the Nomination Committee did not acquire any documentation regarding the CV submitted by Mr Barr;
- (g) the Nomination Committee did not highlight any risk to the Board deriving from the recommendation (which, in my opinion, was as irresponsible as it was imprudent) to appoint a man as Managing Director who, among other things:
1. had no experience in managing organisations which, by number of employees, complexity or business volume, are remotely comparable to Ansaldo STS;
  2. had never held the position of Managing Director;
  3. had never held a key position in a listed company;
  4. could not claim any international (study or work) experience outside of his own country (the UK);
  5. has no particular knowledge of the industrial sector (railway signalling), having concentrated his career principally on the maintenance of railway material;
  6. has no knowledge (company, tax, legal, regulatory) of the functioning of a company which, while generating the majority of its revenues abroad, remains (for the time being) an Italian company;
  7. does not speak Italian;
  8. has a mediocre academic curriculum (with neither a Master's degree or a PhD), with a degree in engineering from a university (Brunel University) classified in 52<sup>nd</sup> position among British universities<sup>14</sup>;
  9. submitted a professional curriculum which, in the best case scenario, was omissive (see below);
  10. had always held a position as an employee of Hitachi Rail hierarchically subordinated to the *Chief Executive Officer* of Hitachi Rail, who holds the position of Chairman of Ansaldo STS, a situation likely to represent conditioning to a subordinate position (in a listed company, the Managing Director reports to the Board of Directors and certainly not to the Chairman).
- (h) the so-called "*long discussion*" to which the Chairwoman of the Nomination Committee referred in order to conclude "unanimously" in favour of proposing to the Board the appointment of Mr Andrew Barr as Managing Director, had **only lasted for half an hour<sup>15</sup>, an interval of time not even sufficient for choosing the manager of a condominium.**

The Nomination Committee, which does not appear to have done<sup>16</sup> anything other than to prepare a recommendation to the Board to comply with the 'wishlist' of the shareholder Hitachi (as further confirmation of the absence of possession of the requirements of independence of the three board members appointed by Hitachi as so-called "*independents*"), cited as the 'grounds' for the decision the fact that it had (i) assessed Mr Barr's CV and (ii) taken account of the results of the work of the previous Nomination Committee. The grounds adduced by the Chairwoman of the Nomination Committee, far from justifying the conclusions of the Committee, further call into question its actions and above all its "*independence*".

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<sup>14</sup> <http://www.thecompleteuniversityguide.co.uk/league-tables/rankings>

<sup>15</sup> as specified during the discussion by the Chairman of the Board of Statutory Auditors, Mr. Sarubbi.

<sup>16</sup> The chairwoman Painter declared that the Appointments Committee spoke with the head of human resources, a manager who evidently has no voice regarding the appointment of the Managing Director.

CV of Andrew Barr

In the best case scenario, the CV (**Appendix 18**) submitted by Mr Barr is omissive, and in the worst case simply does not correspond to the truth of the facts:

- (a) Mr Barr stated in his CV (in Italian and in English, in identical fashion) that he is “*a highly experienced board member at international level... with over 25 years of managerial experience in the railway sector*”. Considering that Mr Barr was born on 9 January 1973, it follows that he would have received his first “*managerial experience in the railway sector*”, a career which then continued for 25 years until 2016, in April 1991, i.e. when he had just turned 18, a situation which is scarcely credible (even more so if we consider that Mr Barr is a graduate not of Oxbridge but of an English university which is not particularly well-known);
- (b) in the CV submitted by Mr Barr, not only is there no trace of any managerial position in 1991, but it does not cite any professional experience from 1991 to 2000 (either of a managerial or non-managerial type).

In view of the above points to which I also objected at a board meeting, Mr Barr replied that his career had started in 1990, while he was studying engineering and at the same time was working as a trainee for [REDACTED] and as a part of his internship, also took “management training” courses, **evidently not a managerial role**.

The board member Mr Cipriotti asked Mr Barr when exactly it could be said that he had held his first managerial position, recalling that in general, nobody begins his career as a ‘*manager*’.

Mr Barr replied that the situation may have appeared ‘unusual’ but his internship, which lasted for two years, took him directly into a “*management post*” and from 1992 onwards (i.e. from the age of 19 onwards) he had always been a *manager*. In the face of this (**hardly credible and undocumented**) declaration, I asked Mr Barr at a board meeting to submit the supporting documentation, given that the submitted CV did not contain any reference to his professional experience between 1990 and 2000.

During the discussion, none of the so-called “independent” board members, comprising the Nomination Committee which had recommended his appointment to the Board, intervened to request explanations or to formulate questions, a fact which is all the more surprising if we consider that the Chairwoman of the Nomination and Remuneration Committee had clearly admitted that she had not acquired any supporting documentation for Mr Barr’s CV at the time of the recommendation to the Board to appoint him Managing Director.

On conclusion of the Board Meeting, I sent Mr Barr an e-mail (**Appendix 19**) in which I asked him **for the second time** to submit his complete CV with all of his managerial experience of the last 25 years.

Not obtaining any reply, on 27 May 2016, I submitted a letter (**Appendix 20**), asking him **for the third time** to submit adequate documentation demonstrating the “*more than 25 years of management experience*”. To this letter,

without submitting the requested documentation, Mr Barr replied on 31 May 2016 (**Appendix 21**), simply referring to what he had declared at the board meeting on 24 May, i.e. to what I had asked him to document. On the same day, **for the fourth time**, I asked (**Appendix 22**) Mr Barr to submit adequate documentation demonstrating the “*more than 25 years of management experience*”, but have not received a reply to date.

#### Results of the works of the previous Nomination Committee

The second grounds inferred by the Nomination Committee in support of the decision taken “unanimously” by the “*independent*” board members Painter, Garraffo and de Benedictis, after a “*long discussion*”, which lasted for half an hour, “*to recommend to the Board that Andrew Barr be appointed Managing Director*” consisted of having taken account of the work carried out by the previous Nomination Committee. Here, the inferred grounds border on the surreal.

Indeed, the previous Nomination Committee (consisting of three independent board members, of which one appointed by Hitachi and two by the minorities) had, on 16 March 2016, **unanimously** rejected Mr Barr’s application (see **Paragraph VI**), preferring two internal candidates to him “*from a technical, managerial and relationship perspective*” (**Appendix 13**), confirming what had already been declared by the Committee on 4 March, i.e. that Mr Barr was a candidate who was “*less solid than the company’s internal candidates, with particular reference to Mr. [REDACTED]*”

(**Appendix 14**).

\*

It is entirely evident that the decision taken after a “*long discussion*” (**which only lasted half an hour!**) “*unanimously*” formulated by the three so-called “*independent*” board members designated by Hitachi, to recommend to the Board the appointment of the *Chief Executive Officer* of Hitachi Rail (Andrew Barr) as Managing Director of Ansaldo STS, was a predetermined decision, taken in the interests of the shareholder Hitachi, which could in no way be considered as taken “*in a professional and transparent way, with independence of judgement*”, according to what was requested by the Regulations of the Nomination and Remuneration Committee. **Instead, the opposite is true.**

Needless to say, with the vote in favour of all of the board members (executive<sup>17</sup> and so-called “*independents*”) designated by Hitachi, and with only the vote of the three board members designated by the minorities against, Mr Andrew Barr was appointed Managing Director. With the same majority, he was then appointed General Director and Director Responsible for the Internal Control System and Risk Management, concentrating in himself (or more precisely, within Hitachi), the powers of controller and controlled.

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## **IX. Conclusion**

I do not wish for any ambiguity on the current *de facto* situation within Ansaldo STS: the functioning of the current Board of Directors is a **farce**, insofar as it operates in complete contempt for the most elementary principles presiding over the correct corporate governance of listed companies to protect the interests of *stakeholders*.

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<sup>17</sup> With the exception of Mr Barr, who abstained on his appointment.

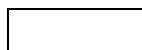
On this point, I should reiterate that the Board of Statutory Auditors had repeatedly turned to the Supervisory Authority, **evidently without being heard**, to inform the anomalies in the corporate governance of Ansaldo STS, as emerges from the documentation (acquired by me) exchanged with CONSOB and from the report in the 2015 Annual Report: “29 December 2015, the Board of Statutory Auditors submitted a notification to CONSOB pursuant to article 149, paragraph 3 of the TUF, informing the latter of a number of elements of information and documentation and underlying **the growing difficulty in ensuring the functioning of the existing mechanisms within Ansaldo STS for the protection of the Corporate Governance structure** and the correct functioning of the corporate bodies, already highlighted in the notifications sent to the CONSOB by the Board of Statutory Auditors” (Ansaldo STS, Board of Statutory Auditors, report on the 2015 Financial Statements, **Appendix 24**).

With the appointment of the new Board of Directors on 13 March, even with the same exercise of control and numbers of board members by Hitachi (six) and by the minorities (three), the situation has **deteriorated to an extreme degree** and today, Ansaldo STS, a listed company with a market capitalisation of over €2 billion, of which half represented by free float, is operating in the absence of efficient mechanisms “**to protect the Corporate Governance structure**”.

Although the minority shareholders hold some 50% of the company, they have been deprived of any protection by the combined provisions of the decisions taken **solely with the vote of the board members designated by Hitachi, including the so-called “independents” who have demonstrated an attitude incompatible with the notion of “independence”**, with the effect of Hitachi subordinating the protective mechanisms of the *Corporate Governance* structure:

	Old Board of Directors mandate expired on 13 May 2016	New Board of Directors appointed on 13 May 2016
Board members appointed by Hitachi	6	6
Board members appointed by the minority shareholders	3	3
Chairman	<b>Hitachi</b>	<b>Hitachi</b>
Managing Director and General Director	Continuity with the previous Ansaldo STS management	<b>Hitachi</b>
Director responsible for the internal control and risk Management system	Continuity with the previous Ansaldo STS management	<b>Hitachi</b>
Vice Chairman	<b>Hitachi</b>	<b>Hitachi</b>
Secretary of the Board of Directors	General Counsel of Ansaldo STS	<b>Hitachi’s lawyer</b>
Majority of the Nomination and Remuneration Committee	Board members appointed by minority shareholders	<b>Board members appointed by Hitachi*</b>
Majority of the Related Party Committee	Board members appointed by minority shareholders	<b>Board members appointed by Hitachi*</b>
Chairman of the Nomination Committee	Board member appointed by minority shareholders	<b>Board member appointed by Hitachi</b>
Majority of the Related Party Transaction Committee	Board member appointed by minority shareholders	<b>Board member appointed by Hitachi</b>

\* The committees are entirely composed of board members designated by Hitachi since none of the board members appointed by the minority shareholders agreed to join committees with a chair and majority pre-established by board members appointed by Hitachi, as requested by the Chief Executive Officer of Hitachi Rail as Chairman of Ansaldo STS



## Management and control functions subordinated to Hitachi

It is entirely evident that beyond the formal observance of the regulations with which every single decision was taken, **an aspect for which I request confirmation, starting with the verification of the correct establishment and legitimacy of the current Board of Directors in the light of the provisions of article 37 of the Market Regulations, with it certainly impossible to regard as “independent” the attitude demonstrated by the board members appointed by Hitachi - Ansaldo STS is operating for all effects and purposes as a division of Hitachi.**

Pursuant to article 2392 of the Civil Code, the directors of the companies are jointly and severally liable in the event of failure to observe their own duties (*culpa in vigilando*) or if, being aware of detrimental facts, they have not done what was in their power to prevent the carrying out of the same or the elimination or attenuation of the detrimental consequences.

In particular, *“the directors cannot be diverted by their own particular interests or those of third parties (including shareholders) and must, above all, undertake to examine how the specific interest (declared as specific) of the shareholder is compared with the company interests, understood as the material interest on a given determination at a given point and in a given context”* (MARCHETTI, 11 December 2013), **under penalty of a liability action.**

Moreover, according to the predominant opinion, a conflict of interest *“does not consist of an absolute incompatibility between the particular interest and the interest of the company, but in summary, represents a relative incompatibility, such that could lead to a significant deviation in the predetermination of the material interest of the company in the decision”* (GAMBINO, 2011).

For all of these reasons, I wish to confirm that the Supervisory Authority is informed of the presented facts, also for the purpose of documenting any liability with regard to any interested third party, including for omissions in deeds due from any party.

I remain entirely at your service for any explanations.

Yours sincerely,

[SIGNATURE]

Giuseppe Bivona

## Appendices

- Appendix 1 – Board Meeting of 16 May 2016 - Agenda
- Appendix 2 – Board Meeting of 24 May 2016 – Agenda
- Appendix 3 – Press Release on the Award of the Order in Qatar
- Appendix 4 – Presentation of the Board of Directors of Hitachi (12 September 2015)
- Appendix 5 – CV of Mr. De Benedictis, submitted by Hitachi (18 April 2016)
- Appendix 6 – Measure of Judge Braccialini, Proceedings [REDACTED] Court of Genoa (11 May 2016)
- Appendix 7 – Finmeccanica appeal against CONSOB and against Amber and Bluebell Partners (16 March 2016)
- Appendix 8 – Press articles on the investigations of the Public Prosecutor’s Office into Hitachi and Finmeccanica (16, 17 and 18 March 2016)
- Appendix 9 – Finmeccanica, Description of the Guarantees issued to Finmeccanica (20 February 2015)
- Appendix 10 – Ansaldo STS, “*Procedure on operations with related parties*” (26 November 2010)
- Appendix 11 – Ansaldo STS, Reply brief in the proceedings [REDACTED] before the Court of Genoa (9 May 2016)
- Appendix 12 – ELLIOTT, Claim pursuant to article 700 [REDACTED] before the Court of Genoa (2 May 2016)
- Appendix 13 – Ansaldo STS, Minutes of the Nomination and Remuneration Committee (15 March 2016)
- Appendix 14 – Ansaldo STS, Minutes of the Nomination and Remuneration Committee (4 March 2016)
- Appendix 15 – Hitachi and [REDACTED] (1 September 2015)
- Appendix 16 – CV of the Board Member Katherine Mingay, submitted by Hitachi (18 April 2016)
- Appendix 17 – CV of the Board Member Mario Garraffo, submitted by Hitachi (18 April 2016)
- Appendix 18 – CV of the Board Member Andrew Barr, submitted by Hitachi (18 April 2016)
- Appendix 19 – Email from Giuseppe Bivona to Andrew Barr (24 May 2016)
- Appendix 20 – Letter from Giuseppe Bivona to Andrew Barr (27 May 2016)
- Appendix 21 – Letter from Andrew Barr to Giuseppe Bivona (31 May 2016)
- Appendix 22 – Letter from Giuseppe Bivona to Andrew Barr (31 May 2016)
- Appendix 23 – Ansaldo STS, Regulations of the Nomination and Remuneration Committee of Ansaldo STS
- Appendix 24 – Ansaldo STS, Board of Statutory Auditors, Report in the 2015 Annual Report (29 March 2016)
- Appendix 25 – Sole 24 Ore, Rejection of Andrew Barr’s application (16 March 2016)

Attn:

Giuseppe Maria Berruti

Carmine di Noia

Anna Genovese

Paolo Troiano

Giuseppe Vegas

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Cc: Giacinto Sarubbi

**Chairman of the Board of Statutory Auditors – Ansaldo STS**

Enrica Spinardi

Renato Righetti

**Statutory Auditors - Ansaldo STS**

9 June 2016

Dear Sir/Madam,

**Re: Ansaldo STS - Infringement of the Self-Governance Code of Listed Companies - ADDENDUM**

With reference to my letter of 7 June 2016 and in particular, to my comments on the board member De Benedictis, I forward for greater accuracy/completeness, the service order signed by the Managing Director and General Director di Leonardo (formerly of Finmeccanica) [REDACTED] on 9 May 2016.

Yours faithfully,

[SIGNATURE]  
Giuseppe Bivona



Attn:

Giuseppe Maria Berruti

Carmine di Noia

Anna Genovese

Paolo Troiano

Giuseppe Vegas

**Commissione Nazionale per le Società e la Borsa – CONSOB [Italian National Stock Exchange Supervisory Commission]**

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Cc: Giacinto Sarubbi

**Chairman of the Board of Statutory Auditors – Ansaldo STS**

Enrica Spinardi

Renato Righetti

**Statutory Auditors - Ansaldo STS**

29 June 2016

Dear Sir/Madam,

**Re: Ansaldo STS - Meeting of the Board of Directors of 15 June 2016**

Further to my previous notifications of 7, 9 and 14 June 2016, I wish to inform the supervisory authority of further ‘anomalies’ in the conduct of the meeting of the Board of Directors of Ansaldo STS (the “**Company**”), held on 15 June 2016.

**i) Irregular Calling of the Meeting of the Board of Directors**

As indicated in my notification of 14 June 2016, the calling of the meeting of the Board of Directors of Ansaldo STS 15 June 2016 by the Chairman Mr Dormer, as correctly observed by the independent board member, Fabio Labruna, occurred “*with a disregard for the principles expressed in the provisions*” (**Appendix 1**).

In order to avoid the (evidently material) risk of witnessing a challenge to the decisions taken, the board meeting was adjourned without passing any resolutions and to date (two weeks later) has not even been reconvened<sup>1</sup>. It is an extremely serious and anomalous fact that the board members were not permitted to deliberate, with this potentially impairing the correct conduct of the company life of Ansaldo STS.

**ii) Omitted Information to Board Members and Shareholders**

Following my request to the Managing Director Andrew Barr at the board meeting of 24 May 2016 (subsequently renewed on 24, 27 on 31 May 2016) to comply with the obligation to submit all documentation suitable for demonstrating the truthfulness of the declaration at the time of submission of the application for board member and to account for the declaration that he possessed “*25 years of managerial experience in the railway sector*”, contained in a manifestly omissive CV (with nothing having been stated with regard to his working experience during the period 1990-2000), to date, Mr Barr has failed to submit the requested documentation. The request to submit the omitted documentation was also formulated by the shareholders Amber (8 June 2016) and ELLIOTT (14 June 2016), with two letters addressed to the Board which, as far as known, have not received a response.

Following various requests (which have also remained unexecuted) for access to the Company’s information regarding, among other things, the relationships between the same entity and the Hitachi group, the independent board member, Fabio Labruna applied to the competent judicial authorities via an appeal pursuant to article 700 of the Civil Procedure Code (**Appendix 2**), notified to the Company on 15 June 2016, in order to enforce the right/duty of a director to act in an informed manner.

It is an extremely serious and anomalous fact that the board members were denied information, obliging them to request the same via the Court.

**iii) Declarations to the Board of the Chairman Mr Dormer that did not comply with the truth of the facts**

During the Board Meeting of 15 June 2016, Mr Dormer (Chairman of Ansaldo STS and *Chief Executive Officer* of Hitachi Rail) informed the board of a “*serious matter*”, i.e. that he had acquired new information casting doubt on my capacity as “*independent*” board member (already ratified by the Board of Directors with the vote in favour of the same Mr Dormer on 16 May 2016):

1. Mr Dormer declared that he had learnt from an “*interview*” of mine with Il Sole 24 Ore of the existence of “*a very close link*” between the undersigned party and the shareholder Elliott, i.e. of a consultancy relationship between my company (Bluebell Partners) and Elliott, cited in a letter mentioned by the newspaper;

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<sup>1</sup> Subsequent to the adjournment of the board meeting, a plenary extraordinary meeting was held with the consent of all of the board members in order to discuss commercial operations, the discussion of which could not be postponed.

2. Mr Dormer declared that he was not “*aware*” of this letter, of having “*requested a copy*” of the same from the Chairman of Hitachi and having learned, on reading it, that “*Bluebell is getting paid by Elliott*”;
3. Mr Dormer stated “*I was not aware that Bluebell was Elliott*” and requested that the Board of Statutory Auditors “*very carefully*” determine my capacity as an independent director.

The item of press information to which Mr Dormer referred is an article signed by Gianni Dragoni, published in the 9 June 2016 edition of *Il Sole 24 Ore* (**Appendix 3**). The journalist wrote that “*on 6 November 2015*”, Elliott had sent a letter directly to Tokyo to Hiroaki Nakanishi (at the time Managing Director and Chairman of Hitachi Ltd) and that the letter “*invited Hitachi to contact Elliott Advises UK, or its adviser Bluebell Partners, with reference to Giuseppe Bivona*”.

In view of the above, the declarations made by Mr Dormer to the Board Members and to the Board of Statutory Auditors do not correspond to the truth of the facts:

1. The article in *Il Sole 24 Ore* is evidently not an “*interview*” with me;
2. Mr Dormer (*Chief Executive Officer* of Hitachi Rail) was already aware of my letter of 6 November 2015, cited by *Il Sole 24 Ore*, insofar as Hitachi Rail (owned by Hitachi Ltd through Hitachi Europe Ltd) on 10 February 2016 had actually submitted this letter in a petition presented to CONSOB by its subsidiary of Hitachi Rail Italy Investments Srl (**Appendix 4**);
3. Mr Dormer was already aware of the information that Bluebell Partners is an “*advisor*” to the shareholder Elliott, insofar as this is also contained in “*Appendix 21*” (**Appendix 5a**) of the claim made pursuant to article 700 of the Civil Procedure Code (**Appendix 5b**), notified on 2 May by Elliott to Hitachi Rail (of which Mr Dormer is the Chief Executive Officer) and to Ansaldo STS (of which Mr Dormer is the Chairman);
4. Bluebell Partners evidently is not Elliott (the only statement withdrawn in the face of my protests);
5. The consultancy relationship between Bluebell Partners and Elliott represents an item of information evidently known to Hitachi since 6 November 2016 and already extensively reported in the press, repeatedly included by the same *Il Sole 24 Ore* (**Appendices 6-11**), well before the so-called “*interview*” of 9 June 2016.

With regard to the Board of Statutory Auditors, from which an investigation in greater depth was requested into my position as independent board member, I shall not comment on the relevance of the consultancy relationship between the company of which I am a shareholder (Bluebell Partners) and the shareholder Elliott for the purposes of “*independence*” with regard to the Company (and the controlling shareholder), except to note (according to the most benevolent of interpretations) the questionable knowledge on the part of the Chairman, Mr Dormer, of the basic principles contained in the Self-Governance Code of Listed Companies, adopted by Ansaldo STS with the decision of its Board of Directors of 19 December 2006.

It is always good to remember, in order to better appreciate the ethical-behavioural aspects, that Mr Dormer is the *Chief Executive Officer* of a company (Hitachi Rail) which has already in the past failed observe standards and regulations (TUF), as demonstrated on 3 February 2016 by the determination by CONSOB of the “*collusive*” agreement, to the detriment of the minority shareholders of Ansaldo STS.

It is then grotesque how, in the absence of independence with regard to the directors designated as “*independents*” by the controlling shareholder Hitachi, to which I objected - during the board meeting of 15 June 2016, the Chairman of the Board of Statutory Auditors expressly invited the Board of Directors to assess the position of “*independence*” of the board member De Benedictis, as I myself had requested in my notification of 7 June 2016- with Mr Dormer raising the question of my independence inopportunistically and ‘in retaliation’, a prerequisite which must evidently be assessed with regard to the Company and to the controlling shareholder (Hitachi) exercising the function of direction and coordination.

It is nevertheless an extremely serious fact that the Chairman of a listed company sought to mislead the Board of Directors and the Board of Statutory Auditors by making representations that knowingly departed from the truth of the facts, as documented.

#### ***iv) Contradictory Information to the Board Members***

Given that the board meeting of 15 June 2016 was concluded without being able to pass resolutions, in order to avoid the risk of a challenge (evidently considered as material by the majority of the board members appointed by Hitachi), immediately afterwards a plenary extraordinary meeting was held solely to deal with a single item on the agenda (*Item 6 - Business review and commercial transactions of the notice of calling*), the discussion of which had been considered by all of the board members as urgent, due to the commercial relevance of the argument.

The discussion of the item of the agenda by the Managing Director Mr Barr had as its object the participation of Ansaldo STS in a tender [REDACTED] (**Appendix 12**). During the discussion, the Chairman Mr Dormer and the Managing Director Mr Barr provided **seriously contradictory** information to the board members and as such, neither accurate nor true (it not being possible to consider a statement and its exact opposite as either correct or true):

1. The Managing Director Andrew Barr reported to the board members that the object of the discussion on the [REDACTED] tender represented information to the Board and that the operation would be submitted for approval by the board members before official submission of the bid to the client. This representation was **denied** by Filippo Corsi, who, **contrary to what had been stated by the Managing Director Mr Barr**, had intervened to state that the transaction would be submitted for approval by the Board only if the terms of the presentation of the bid had been extended until “*28 July*” 2016 but that if the client had not agreed to extend the date for submission of the bid, the Company would present the bid by the originally established date (29 June 2016), then calling on the Board to “*ratify*” the bid submitted;

2. The Managing Director Mr Barr informed the Board that the call for tenders in [REDACTED] related both to the supply of power by the Company and to the supply of carriages by the Hitachi Group (Breda). **From the discussion, it emerged that the operation had not been submitted to the Related Party Transaction Committee (Risk Committee)** and the Chairman Mr Dormer pointed out that there was no issue with related parties because there were two separate tenders for the provision of carriages (Hitachi/Breda) and for the “*power supply*” (Ansaldo STS). Only subsequently, to a specific question from Board Member Ms. Cipriotti, then repeated by the Board Member Mr. Garraffo, **denying what was stated by the Chairman Mr Dormer**, did the Managing Director Mr Barr declare that this was a single call for tenders, with this evidently raising the issue of a related party transaction, contrary to what had been stated by the Chairman Mr Dormer.

As I asked to be recorded during the proceedings of the Board, the only words suitable for defining the contradictory nature (and hence the absence of accuracy/truthfulness) of the statements made by the Chairman Mr Dormer and the Managing Director Mr Barr to the Board Members are: “**indecent**”, “**embarrassing**”, “**amateurish**” and “**unprofessional**”.

**v) Powers of the Managing Director Mr Barr**

During the discussion, the Chairman Mr Dormer and the Managing Director Mr Barr stated that the only reason why the participation in the tender in [REDACTED] described in point iv) had been submitted to the Board was the possibility that the *Economic Value Added* (“**EVA**”) of the bid, if awarded, could be zero<sup>2</sup>.

In the face of this statement, which undoubtedly recalled the relevance of EVA as the principal discriminating factor of the discussion, I requested that the Managing Director Mr Barr explain to the Board what EVA was and how it was defined by Ansaldo STS, given that EVA (**an indicator that is certainly known to any Managing Director with a minimum of competence on the issue**) is not an accounting measure but an indicator of a management nature, suitable for identifying the creation of value in relation to financial capital and hence constitutes an indicator which, while it may be known, is generally adapted to some extent to the specific characteristics of each individual business.

To my astonishment, initially, the Managing Director Mr Barr repeatedly evaded my request for explanations and then, in the face of my insistence (also adopted by other board members) that he should explain the significance of the EVA, he ‘mumbled’ phrases devoid of meaning (he first referred generically to payment flows with no further detail and then cited a ‘spreadsheet’ used by the company) making it evident, to the general embarrassment of all, that he was unable to explain what EVA was and how this indicator was defined and calculated.

I wish to point out that none of the board members asked Mr Barr to enter into the specific details of the mathematical calculation or to state formulas, but simply to explain what EVA was or as much as was necessary to permit the Board Members to vote on participating in a tender, submitted solely because the EVA could take on a value equal to zero.

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<sup>2</sup> According to the regulations, every tender, the award of which could produce an EVA below a certain minimum threshold must be approved in advance by the Board of Directors.

I reserve the right to acquire the recording of the proceedings but, as I recall, I consider that the undersigned party, together with other board members who participated in the discussion, had to ask Mr Barr to explain what EVA was at least 5-6 times (perhaps more), before accepting the evidence that Mr Barr was incapable of doing so, requesting that **it be registered in the minutes**. In an atmosphere of growing embarrassment, the Chairman requested a brief suspension of the proceedings of the Board.

Moreover, also during a previous phase of the discussion, Mr Barr had **candidly admitted** that he did not consider himself to be 'qualified'. In particular, he declared this in replying to the specific question by a board member (Mr. Garraffo), who had asked for an explanation to the Board of the reasons that led Ansaldo STS to decide to participate in the tender [REDACTED] Hitachi (Breda) for the provision of carriages, rather than other sector companies. This was evidently a highly pertinent and relevant question.

In the face of the **extreme importance** of choosing partners for participation in the tender and the **extremely delicate** nature of the 'choice' made which (strangely enough) had fallen on Hitachi, i.e. specifically on the controlling shareholder of Ansaldo STS, which had appointed the same Mr Barr, he replied that he was not 'sufficiently qualified' to be able to reply with the required degree of 'detail': the statement was literally met by a **chorus of astonishment** from the Board.

As is known, I had already raised specific points in the past (see my letter of 7 June 2016) (a) on the effective appropriateness of Mr Barr to hold the position of Managing Director and General Director of Ansaldo STS; (b) on the ommissive and scarcely credible nature of his CV; and (c) the procedures (in reality, a 'farce') with which, in half an hour of discussion, the Nomination and Remuneration Committee, consisting of three so-called '*independent*' board members appointed by the board by Hitachi's designation and then elected to comprise the Nomination and Remuneration Committee solely with the votes of the board members designated by Hitachi, had proposed the appointment of Mr Barr (*Chief Executive Officer* of Hitachi Rail, an expert on railway maintenance and without any experience corresponding to the degree of responsibility entrusted to him), as Managing Director and General Director of Ansaldo STS.

It cannot be seriously questioned that the Managing Director of a (listed) company cannot possess the requirements of professionalism appropriate to the delicacy of the entrusted position if he is incapable of explaining to the Board what EVA is (moreover, after he himself had brought an order to the attention of the board members, solely because the EVA could have had a value of zero) or the reason why the Company had decided to take part in a tender in a consortium (strangely enough) with the controlling shareholder (Hitachi), without the matter having even been discussed by the Related Party Transaction Committee (Risk Committee).

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The presented facts, together with what has already been indicated in my previous notifications, point, among other things, to (i) the inadequacy of the systems ensuring correct corporate governance (see the notifications of 7 and 9 June 2016) and (ii) failure to observe the principles of correct management (see also the notification of 14 June 2016) with board members being genuinely denied the right/duty to act in an informed

manner due to information which was omissive, contradictory or which simply did not correspond to the truth of the facts. The presented facts constitute clear signals ('red flags') of serious risks and potential serious danger for all of the shareholders of Ansaldo STS.

In view of all of the above, I respectfully request:

1. that **CONSOB** acquire the recording of the meeting of the Board of Directors of 15 June 2016, in order to determine and verify what I have presented and to take the most appropriate measures within its remit, evaluating, among other things, the appropriateness of reporting the facts to the judicial authority for the purpose allowing the Public Prosecutor's Office to exercise its powers to bring a claim pursuant to article 2409, last clause, of the Civil Code.

I wish to underline that the mere acquisition of the minutes cannot be regarded as a valid means of confirmation, due to the serious discrepancies found in the past in the minutes, even as regards the voting declarations (**Appendix 13**<sup>3</sup>). For the sake of completeness, I add that at the meeting of 15 June 2016, the Secretary to the Board (who, as recalled in my notification of 7 June is also a lawyer for Hitachi) declared that he had drawn up the minutes of the Board Meeting of 24 May 2016, the only meeting for which a draft of the minutes is currently available, without having listened to the recording of the meeting, basing himself exclusively on his notes, thereby confirming my fears (see the letter of 7 June 2016) regarding the execution of the minute-taking function.

2. that **Borsa Italiana and CONSOB** order the Managing Director Mr Barr to publish his complete CV immediately, notifying the shareholders and the market, in order to account for the declared "*25 years of managerial experience in the railway sector*", as also requested by several shareholders who have applied to the Board of Directors.
3. that the **Board of Statutory Auditors** assess the presented facts within the scope of its remit, determining, among other things, the possible infringement by the Chairman Mr Dormer and the Managing Director Mr Barr of the principles of "*integrity*" and of "*transparency and fairness in company management*", provided by the Code of Ethics of Ansaldo STS, for having provided information that was **omissive, contradictory and in contrast with the truth of the facts** to the Board Members during the meeting of the Board of Directors of 15 June 2016.

I remain entirely at your service for any explanation or request for information.

Yours faithfully,

[SIGNATURE]

Giuseppe Bivona

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<sup>3</sup> The discrepancies were highlighted by the Board Member Cipriotti, who was obliged to go to Genoa in order to hear the recording of the board meeting of 24 May 2016, in so far as the board with a Hitachi majority refused to provide the tapes of the recording in Milan, where the board meeting takes place.

## Appendices

- Appendix 1 - Letter from the Board Member Mr Labruna to the Chairman Mr Dormer (13 May 2016)
- Appendix 2 - Claim by the Board Member Mr Labruna pursuant to article 700 of the Civil Procedure Code (30 May 2016)
- Appendix 3 – Il Sole 24 Ore - Article by Gianni Dragoni (9 June 2016)
- Appendix 4 – Il Secolo XIX (20 February 2016)
- Appendix 5a – Letter from Elliott to CONSOB (30 October 2015)
- Appendix 5b – Claim by Elliott against Hitachi/Ansaldo (2 May 2016)
- Appendix 6 – Il Sole 24 Ore (4 February 2016)
- Appendix 7 – Il Sole 24 Ore (25 February 2016)
- Appendix 8 – Il Sole 24 Ore (15 March 2016)
- Appendix 9 – Il Sole 24 Ore (8 April 2016)
- Appendix 10 – Il Sole 24 Ore (24 March 2016)
- Appendix 11 – Il Sole 24 Ore (20 April 2016)
- Appendix 12 – Information note Item 6 of the agenda of the meeting of the Board of Directors of Ansaldo STA (15 June 2016)
- Appendix 13 – Points in the Minutes of the Board of Directors of 24 May 2016, sent by Board Member Ms. Cipriotti (16 June 2016)



Attn:

Alistair John Dormer, Chairman

Katherine Jane Mingay, Vice Chairman

Andrew Thomas Barr, Managing Director

**Executive Board Members, Ansaldo STS**

Cc: Rosa Cipriotti

Alberto de Benedictis

Mario Garaffo

Fabio Labruna

Katharine Rosalind Painter

**Independent Board Members, Ansaldo STS**

Giacinto Sarubbi

**Chairman of the Board of Statutory Auditors – Ansaldo STS**

Enrica Spinardi

Renato Righetti

**Statutory Auditors - Ansaldo STS**

Giuseppe Maria Berruti

Carmine di Noia

Anna Genovese

Paolo Troiano

Giuseppe Vegas

**Commissione Nazionale per le Società e la Borsa – CONSOB [Italian National Stock Exchange**

**Supervisory Commission]**

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Francesca Flore

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Livia Gasperi

Listed Companies Director

Supervision Division  
**Borsa Italiana S.p.A.**  
Piazza degli Affari, 6, 20123 Milan

17 July 2016

Dear Mr Dormer/Ms Mingay/Mr Barr

**Re: Press Release of Ansaldo STS of 16 July 2016**

With reference to the Press Release issued by Ansaldo STS on 16 July 2016 (the “**Notification**”, **Appendix 1**), I hereby point out the following:

1. The Press Release is incorrect in that it is seriously omissive, with no mention either of the request to suspend the effectiveness of the decisions challenged pursuant to article 2378, clause 3 of the Civil Code or of the request to appoint a special administrator pursuant to article 78 of the Civil Procedure Code, presented in the writ of summons on pp. 62-63 (**Appendix 2**);
2. The statement contained in the Press Release, according to which “*the Company considers the action in its current form to be unfounded*”, cannot be regarded as correct: i) not even warned in advance, the Board of Directors did not express any position on the fact in question; ii) the above statement can only represent the position of the Executive Board Members of the Company appointed by Hitachi, who are the only ones who evidently can have materially produced/authorised it, i.e. those same board members for whom the conflict of interest with the Company is inferred in the writ of summons, on which the Board of Directors has not yet expressed any opinion;
3. the Writ of Summons, notified to the Company on 14 July 2016, was only forwarded to the board members belatedly on 16 July 2016 at 10:40 pm (Milan time), following my request;
4. the Writ of Summons was forwarded to the board members in incomplete form, insofar as it lacked the 51 Appendices comprising it;
5. the board members learned from the Press Review of 17 July 2016 (**Appendix 3**) that the Court of Genoa had already appointed a special administrator, in the person of lawyer Alessandro Barca, without either the board members or the market having been informed by the Company, whether or not the information was correct.

Now therefore:

- (i) I invite the Executive Board Members of the Company to adjust the Notification **immediately**, before the market opening (Monday 18 July), taking account of the above points 1, 2 and 5;

- (ii) I invite the Executive Board Members to share the adjusted text of the Press Release with the board members before its disclosure to the market;
- (iii) I invite the Executive Board Members to forward the appendices to the writ of summons to the board members **without further delay**;
- (iv) I invite the Chairman to call an extraordinary meeting of the Board of Directors **urgently**, so that the board members may be informed in order to adopt any appropriate decision in the interests of the Company.

In the face of what is presented and documented here, in formulating a judgement of censure, I likewise request that the Board of Statutory Auditors and the Supervisory Authority to exercise their vigilance, within the context of their remits, in order to ensure the correct information to the shareholders and market and the correct functioning of the company bodies.

Yours sincerely,

[SIGNATURE]

Giuseppe Bivona

Attn:

Alistair John Dormer, Chairman

**Ansaldo STS**

## Cc:

Katherine Jane Mingay, Vice Chairman

Andrew Thomas Barr, Managing Director

**Executive Board Members, Ansaldo STS**

Rosa Cipriotti

Alberto de Benedictis

Mario Garaffo

Fabio Labruna

Katharine Rosalind Painter

**Independent Board Members, Ansaldo STS**

Giacinto Sarubbi

**Chairman of the Board of Statutory Auditors – Ansaldo STS**

Enrica Spinardi

Renato Righetti

**Statutory Auditors - Ansaldo STS**

Nicoletta Garaventa

**Supervisory Committee, Chairwoman - Ansaldo STS**

Giacomo Galli, Managing Director, Protiviti S.r.l

**Internal Audit Function Manager - Ansaldo STS**

Franco Gianni, Studio Gianni, Origoni, Grippo, Cappelli & Partners

**Secretary of the Board of Directors of Ansaldo STS**

Giuseppe Maria Berruti

Carmine di Noia

Anna Genovese

Paolo Troiano

Giuseppe Vegas

**Commissione Nazionale per le Società e la Borsa – CONSOB [Italian National Stock Exchange  
Supervisory Commission]**

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Livia Gasperi  
Listed Companies Director  
Supervision Division  
**Borsa Italiana S.p.A.**  
Piazza degli Affari, 6, 20123 Milan

2 August 2016

Dear Sir/Madam,

**Re: Minutes of the proceedings of the Board of Directors of Ansaldo STS**

In view of the delicacy of the role guaranteeing the recording of the discussions, proceedings and decisions of the Board of Directors, as known, the undersigned party has repeatedly objected to the decision to appoint [REDACTED] as Secretary to the Board of Directors of Ansaldo STS, a decision approved by the Board of Directors at the meeting of 16 May 2016, solely with the favourable votes of the attending board members appointed by the shareholder Hitachi (including the so-called “*independent*” board members), at the proposal of the *Chief Executive Officer* of Hitachi Rail in his different capacity as Chairman of Ansaldo STS.

Without wishing to detract from my profound professional respect for [REDACTED] and my greatest respect for yourself, which are certainly not subject to discussion, I expressed on several occasions the conviction that the appointment was the first formal action executed by the new Board of Directors of the Company to establish the conflict of interest in managing the management of the company’s affairs, given that [REDACTED] is the legal counsel to Hitachi on issues concerning Ansaldo STS and that moreover, have put Hitachi in a position of opposition to the minority shareholders of the Company.

In **Appendix 1**, you will find my corrections to the minutes of the meeting of the Board of Directors of Ansaldo STS on 24 May 2016. In my opinion, the draft of the minutes, as circulated by the Secretary on 7 July 2016 and by virtue of the additions and omissions, cannot be considered a faithful representation of the discussion which took place at the Board meeting, with it recorded in a ‘watered-down’ and partial manner (and in some cases, in my opinion, a ‘fanciful’ one).

I thus respectfully request:

1. that the Secretary [REDACTED] (a) confirm to the Board Members the correctness (or incorrectness) of my comments, of which I am the first to request confirmation; (b) confirm whether he drew up the minutes in person and (c) confirm whether he took the precaution of listening to the recording of the proceedings (an appropriate precaution on account of the length of the meeting, the overlapping of the interventions, the extreme sensitivity of the issues discussed and the heated confrontation between board members, who repeatedly called on the Secretary to take verbatim minutes of the interventions) in order to submit a precise report to the next board meeting.

I shall permit myself to invite [REDACTED] to make an autonomous and independent reflection in assessing the appropriateness of resigning his position of Secretary, if he considers that his many professional commitments do not permit him to hold the delicate position of Secretary with the *'extra diligence', 'over and above'* that normally requested, considering the particular situation of the Company today;

2. To the Chairman of the Board of Statutory Auditors Sarubbi and the Chairman of the Supervisory Committee Garaventa: that they determine that the procedure followed for appointment of the Secretary was compliant with the spirit and letter of laws and regulations, including the Code of Ethics of the Company, taking account of the minutes as made to date (e.g. minutes of 24 May 2016), in order to report if possible on the same at the next board meeting;
3. To the Manager of the Internal Audit Function Giacomo Galli: that they determine who, where, how and when had access to the recordings of the board meetings of 16 May, 24 May and 15 June, the drafts of which have already been distributed to board members for reference at the next Board Meeting;
4. To the supervisory authorities: that they acquire as a guarantee from all of the board members and hence from the Company, the audio recordings of the meetings of the Board of Directors held to date (16 May, 24 May, 15 June, 11 July and 27 July 2016) and determine who, where, how and when drafted the minutes of the board meetings of 16 May, 24 May and 15 June, distributed to the board members;
5. To the Chairman Dormer: (a) that he place on the agenda at the next Board Meeting, the approval of the minutes of the meetings of 16 May and 24 May 2016; (b) the appointment of the new Secretary of the Board in the person of the *Chief Legal Counsel* of the Company, Filippo Corsi who has already held this position in the past, given that I have grounds for considering that Mr Corsi enjoys the respect of many board members and already regularly attends board meetings; (c) the reports described in Points 1, 2 and 3.

Lastly, I take the opportunity to:

- attach the Chamber of Commerce registration certificate for the Shareholder [REDACTED] (**Appendix 2**), with the associated composition of the register of shareholders, in order to ensure a better appreciation of the correctness of the declarations recorded in the minutes of the board meeting of 24 May 2016;

- recall that to date (i.e. after more than three months) the Managing Director Andrew Barr has neither submitted his complete CV<sup>1</sup> or provided the supporting documentation expressly requested by me at the board meeting of 24 May 2016. **On this point as well, I request the intervention of the Supervisory Authority, trusting that the relevance of the question will subsequently emerge from a reading of the (corrected) minutes of 24 May 2016.**

I thank you for your attention,

Yours faithfully,

[SIGNATURE]

Giuseppe Bivona

**Appendices:**

1. Minutes of the Board Meeting of Ansaldo STS 24 May 2016, with corrections, G. Bivona (2 August 2016)
2. Chamber of Commerce certificate

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<sup>1</sup> I shall state for the sake of completeness that during the board meeting held on 11 July 2016 (i.e. over a month and a half after my initial request), at the board meeting, Mr. Barr read out information about his CV, of which little or nothing could be comprehended by the board members, due to the extremely poor quality of the audio link activated by the Company (a link that was so defective as to raise serious doubts regarding the validity of the board meeting, exactly as highlighted on numerous occasions in the minutes of the Board Meeting of 24 May 2016). On the other hand, regardless of the clarifications by Mr Barr (I am awaiting the minutes in order to assess their contents), these do not exonerate him from compliance with the request to submit his CV, i.e. a document which normally does not require audiovisual support and even less, interpretive reports, with the information which is still missing, including the supporting documentation.

Attn:

Giuseppe Maria Berruti

Carmine di Noia

Anna Genovese

Paolo Troiano

Giuseppe Vegas

**Commissione Nazionale per le Società e la Borsa – CONSOB [Italian National Stock Exchange  
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Listed Companies Director

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Cc: Giacinto Sarubbi

**Chairman of the Board of Statutory Auditors – Ansaldo STS**

Enrica Spinardi

Renato Righetti

**Statutory Auditors - Ansaldo STS**

Nicoletta Garaventa

**Supervisory Committee, Chairwoman - Ansaldo STS**

3 August 2016

Dear Sir/Madam

**Re: (Undated) Letter from the Chairman of Ansaldo STS to the Supervisory Authorities “*Notifications submitted by the board member Mr. Bivona, the Elliott funds and Amber Capital*”**



The content of the letter lacking a date<sup>1</sup> (the “**Letter**”, **Appendix 1**) submitted by the *Chief Executive Officer* of Hitachi Rail, Alistair Dormer to the supervisory authorities, in his other capacity as Chairman of Ansaldo STS (the “**Company**”), having as its object “*Notifications presented by the board member Mr. Bivona, the Elliott funds and Amber Capital*”, represents further evidence of the correctness of the points about which I protested in the previous notifications dated 7, 9, 14, 29 June 2 August 2016.

1. **Procedure of the Nomination Committee for the proposal to appoint Andrew Barr as the new Managing Director and General Director of Ansaldo STS**

With reference to the precise and detailed points on the procedure with which the Nomination and Remuneration Committee appointed Mr Andrew Barr (*Chief Operating Officer of Hitachi Rail*) to the position of Managing Director and General Director of Ansaldo STS, the Chairman Mr Dormer stated in the Letter that “*the Company considers that the members of the Nomination and Remuneration Committee carried out their task with professionalism, transparency and independence of judgement. There is no challenge relating to infringements of laws or internal regulations of the Company*”.

The statement by the Chairman Mr Dormer is at odds with the truth of the facts, as specifically documented in my notifications (see notifications of 7 June and 2 August 2016), given that the proposal of the Nomination Committee to appoint Hitachi’s candidate Andrew Barr as Managing Director and General Director took place:

- (i) **without** an in-depth discussion: the precise opposite of what was declared by the Chairwoman of the Nomination and Remuneration Committee, Ms Painter<sup>2</sup>, to the Board Members, considering that the appointment occurred after a telephone conversation which only lasted for **half an hour, an interval of time not even sufficient for choosing the manager of a condominium;**
- (ii) **without** having previously established the requirements for assessing potential applications;
- (iii) **without** having conducted a comparative analysis of the profiles of the managing directors of the principal competing companies;
- (iv) **without** having assessed the appropriateness of appointing a head-hunter to identify potential applicants or even only to provide an assessment of the application by Mr Barr;
- (v) **without** ever having interviewed Mr. Andrew Barr;
- (vi) **without** having considered any other candidate other than the candidate of the shareholder Hitachi (I recall that Hitachi holds 50.7% of the Company, with the remaining 49.3% held by the minorities) with all of the Committee members appointed by it at the Board Meeting;

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<sup>1</sup> Forwarded to me via e-mail by the Company on 18 July 2016.

<sup>2</sup> after a “*long discussion, the Committee unanimously agreed to recommend to the Committee that Andrew Barr [Ed. - Chief Executive Officer of Hitachi Rail] be appointed Managing Director*”. (Mrs Painter, Chairwoman of the Appointments and Remuneration Committee, Board Meeting of 24 May 2016)

- (vii) **without** having determined the correctness of the statements (on initial appearance, omissive and unlikely, see Paragraph 2 below) made by Mr. Barr in the submitted CV;
- (viii) **without** having taken account of the work carried out by the previous Nomination Committee at the meeting of 15 February 2016- in fact doing the precise opposite<sup>3</sup> - at which the Committee had (a) set the objective that the succession plan would safeguard the value of the Company, guaranteeing the creation of value *“for all of the shareholders”* and above all the necessary managerial continuity, in the light of the failure of the tender offer launched by Hitachi; (b) established *“the guidelines”* for the definition of the succession plans; (c) identified precise macro-areas for valuation against which the applicant could be assessed (*“technical characteristics”, “managerial characteristics”* and *“relationship characteristics”*); (d) established that the candidate should have *“developed solid technical and managerial experience in companies or divisions with dimensions and business characteristics comparable with Ansaldo STS, including at international level”*; (e) concluded that it should *“meet the applicants in person”*; and (f) considered that it could draw on the *“support of a consultancy company specialising in Executive Search”* (Minutes of the Nomination Committee of 16 February 2016);
- (ix) **without** having taken account of the work carried out by the previous Nomination Committee at the meeting of 4 March 2016 - in fact doing the opposite<sup>4</sup> - at which, having interviewed Hitachi’s candidate (Barr) and another two internal candidates, the Committee had concluded that *“Mr Barr only partially satisfies the requirements for the succession previously established by the Committee on 15 February 2016”*, specifying that *“by volumes of activities managed and management abilities, he has not proven to be in line with the aforementioned criteria”*, specifying that *“he currently manages revenues of only €120 million”*, that his principal technical skill relates to an entirely different sector (i.e. maintenance), that his international experience is limited *“solely to the UK market and in part to Europe”*, going on to conclude that Mr Barr appears to be *“**less solid than the candidates** internal to the company, with particular reference to Giuseppe Gaudiello and Christian Andi”* (Minutes of the Nomination Committee, 4 March 2016);
- (x) **without** having taken account of the work carried out at the preceding Nomination Committee - in fact doing the opposite<sup>5</sup> -at which the Committee had unanimously rejected the application by Hitachi’s candidate (Barr), on the following grounds: *“**from a technical, managerial and relationship perspective, the Committee thus unanimously considers it preferable to pursue an internal solution to replace Mr. Siragusa... in the light of the above, the Committee unanimously suggests that the Board orient itself towards one of the two internal applicants.**”* (Report of the Nomination Committee, 15 March 2016);

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<sup>3</sup> At the Board Meeting of 24 May 2016, the Chairwoman of the Appointments Committee (Ms Painter) repeatedly declared to the Board that in formulating the proposal to appoint Hitachi’s candidate (Andrew Barr), the Committee had *“taken account of the work carried out by the previous Nomination and Remuneration Committee”* (see my notification of 2 August 2016). This presentation is negated by the facts, unless the declaration by the Chairwoman Ms Painter should be understood in the sense that the new Nomination and Remuneration Committee had taken account of the work carried out by the previous Nomination Committee in order to do exactly the opposite, in which case, the statement by the Chairwoman Ms Painter to the Board, while ambiguous, must be considered completely impeccable;

<sup>4</sup> see Note 3

<sup>5</sup> see Note 3

- (xi) **without** having concerned itself with verifying with the directly concerned persons the declarations made by the *Chief Executive Officer* of Hitachi Rail, in his other capacity as Chairman of Ansaldo STS, who, during the Board Meeting of 16 May 2016 had stated that the two internal candidates ([REDACTED]), preselected by the previous Nomination Committee had declared that they were “*not interested in the role of the Managing Director and General Director of the Company*” (see minutes of the Nomination and Remuneration Committee of 23 May 2016);
- (xii) **without** having presented to the Committee the risks deriving from the appointment of Hitachi’s candidate (Mr Andrew Barr), who, among other things:
- does not have solid technical and experience of managing companies or divisions comparable in size of business characteristics with Ansaldo STS;
  - has never held the position of Managing Director;
  - has never held a key position in a listed company;
  - cannot claim any international (study or work) experience outside of his own country (the UK);
  - has no particular knowledge of the industrial sector (railway signalling), having concentrated his career principally on the maintenance of railway material;
  - has no knowledge (company, tax, legal, regulatory) of the functioning of a company which, while generating the majority of its revenues abroad, is an Italian company;
  - does not speak Italian;
  - has an engineering degree in engineering from a university (Brunel University) classified in 52<sup>nd</sup> position among British universities<sup>6</sup>, without ever having then gained a Master’s degree or a PhD;
  - submitted an ommissive and improbable CV (see Paragraph 2 below), which he has so far refused to supplement and document;
  - as an employee of Hitachi Rail, he has held a position hierarchically subordinated to Mr Alistair Dormer (*Chief Executive Officer* of Hitachi Rail and Chairman of Ansaldo STS), a situation likely to represent conditioning to a position of ‘psychological subordination’ with regard to the Chairman (the Managing Director should not report to the Chairman but to the Board of Directors).

It cannot seriously be questioned that the actions and conduct recalled above in summary form and not even refuted by the Letter signed by the Chairman, Mr Dormer and certainly not refutable insofar as they have been documented, contrary to what was declared, in no way represented the carrying out of a “*task with professionalism, transparency and independence of judgement*”, according to the recognised canons of diligence. In fact, the precise opposite is true.

Furthermore, the regulations of the Nomination Committee of Ansaldo STS expressly provide that “*the members of the Committee are obliged to execute the mandate granted to them with professionalism, transparency and independence of*

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<sup>6</sup> <http://www.thecompleteuniversityguide.co.uk/league-tables/rankings>

judgement. For this purpose, they must refrain, while they hold the position, from actions, conduct and statements **which may merely raise doubts regarding the existence of such prerequisites in their actions**” (Regulations of the Nomination and Remuneration Committee, Adherence to Ethical Conduct, Section 5). The facts presented above more than justify the doubt.

With this, the second (imprudent) statement by the *Chief Executive Officer* of Hitachi Rail also proved erroneous (more accurately: by the Chairman of Ansaldo STS, in the capacity in which he appears to have applied to Consob), according to which “*there is no challenge relating to the infringement of provisions of the laws or internal regulations of the Company*”. The objection appears to be **an infringement of Article 5 of the Nomination and Remuneration Committee**.

I thus request that the Supervisory Authority, the Supervisory Committee and the Board of Statutory Auditors intervene within the scope of their respective powers, also in the light of the considerations contained in the (undated) Letter signed by Mr Dormer.

## 2. **Omissive and improbable content of the CV submitted by Mr Andrew Barr**

I reiterate that in my notification of 7 June 2016, I objected to the CV submitted by Mr Barr, complaining about its **omissive and improbable** content:

- **omissive** because while claiming “***25 years of managerial experience***” in the submitted CV, Mr Barr did not provide any details of the professional positions held between 1990 and 2000;
- **improbable** because Mr Barr declared that he was “*a highly expert board member at international level... with over 25 years of managerial experience in the railway sector*”. Given that Mr Barr was born on 9 January 1973, what is presented would suggest that Mr Barr received his first “*managerial experience in the railway sector*” when he had just turned 18, an improbable situation (even more so if we take account of the unwillingness demonstrated by Mr Barr to submit the documentation requested by me at the Board Meeting of 24 May 2016 and also subsequently, to prove it).

In the letter addressed to the supervisory authority, the Chairman Mr Dormer neither refuted nor confirmed that Mr Barr had submitted an omissive and improbable CV, **a question which he evidently did not consider himself obliged to justify to CONSOB**, but limited himself to observing that “*with regard to Mr Barr’s CV, none of the objections raised can vitiate the correctness and legitimacy of the appointment made by the Board*”.

The (ill-concealed) concern of the Chairman Mr Dormer with regard to the supervisory authority does not seem to be that of reporting to CONSOB as to whether or not Mr Barr’s CV should be considered omissive/improbable (**or to give a reply to the object of my points as surreptitiously stated at the start of the Letter**) but **only** that of stating the principle that (in his view), even if Mr Barr’s CV were omissive and improbable, the fact would in any case have no impact on the “*correctness and legitimacy of the appointment made by the Board*”.

Mr Dormer’s position is very easy to understand if expressed as the *Chief Executive Officer of Hitachi Rail*, with Mr Barr, *Chief Operating Officer of Hitachi Rail*, Hitachi’s candidate for the appointment as Managing Director and

General Director, but entirely at odds with the guaranteeing role of Mr Dormer as Chairman of the Board of Directors of Ansaldo STS, in which capacity he apparently applied to the supervisory authorities in the Letter.

The position expressed by Mr Dormer to CONSOB is all the more imprudent, if we consider that:

- a) Art. 144-*octies*, paragraph 1, item b) of the Regulations for Issuers adopted with Consob decision No. 11971 of 14 May 1999 expressly provides that *“Italian companies with shares listed on Italian regulated markets, at least 21 days prior to that provided for the shareholders meeting called to decide on the appointment of administrative and supervisory bodies, shall provide the public at the registered office... for the applicants to the position of director... **with exhaustive information on the personal and professional characteristics of the applicants**”*.
- (b) On 18 April 2016, Mr Barr had submitted his own CV, signing it *“at his own exclusive liability, pursuant to article 76 of Presidential Decree No. 445 of 28 December 2000, governing the falsification of documents and fraudulent statements”*;
- (c) On 18 April 2016, Mr Barr had also endorsed *“his commitment to notify suitable documentation for confirming the truth of the declared information to the Board of Directors of Ansaldo STS in a timely fashion”*.

In the light of the declarations contained in the Letter of the Chairman Mr Dormer, I request that the Supervisory Authority, the Supervisory Committee and the Board of Statutory Auditors intervene, in their respective areas of authority, ordering Mr Barr to comply immediately with the obligation *“to provide the public”* with exhaustive information on his *“professional characteristics”* that can adequately demonstrate his declared *“25 years of managerial experience”*, likewise accounting for his (omitted) professional experience between 1990 and 2000.

### **3. Independence requirement of the Board Members Messrs. Garraffo and De Benedictis**

With regard to my points on the requirements for independence of the board members Messrs. Garraffo and De Benedictis, Mr. Dormer stated in the letter that *“the independence requirements of the two board members were positively assessed at the first Board Meeting held on 16 May 2016”*, a **careless** and **omissive** item of information submitted to the supervisory authorities:

- **careless** because Mr. Garraffo was not even present at the meeting of 16 May 2016, for which reason, the assessment of his position of *“independence”* was postponed until the subsequent Board Meeting on 24 May 2016;
- **omissive** because he failed to specify that the independence requirements of Messrs. Garraffo and De Benedictis (the board members within Hitachi’s quota) were approved at the Board Meetings of 16 and 24 May, solely with the favourable votes of the executive board members and so-called *“independents”* appointed by Hitachi and with the vote against of all of the board members appointed by the minorities.

We shall state that from a substantive perspective it is ‘dubious’ to say the least (speaking euphemistically) that the so-called *“independent”* board members appointed by Hitachi had displayed behaviour consistent with that

requested of an independent board member, with regard to the decisions adopted by the Board of Directors - solely to cite several examples, without having any claim to providing an exhaustive list, actually much longer - when this related to (i) deciding **in half an hour** to recommend to the Board the appointment of Mr Andrew Barr (*Chief Operating Officer of Hitachi Rail*) as the new Managing Director and General Director of the Company (see Paragraph 1); (ii) forming committees within the Board of Directors consisting solely of board members designated by Hitachi without batting an eyelid (see Paragraph 4) and; (iii) appointing Hitachi's lawyer [REDACTED] as Secretary to the Board of Directors (see Paragraph 5);

This should be sufficient, given that the Self-Governance Code expressly provides for the determination of the “*independence of its own non-executive members, more with regard to substance than to form*”. However, *ad abundantiam*, the Self-Governance Code also identifies several situations symptomatic of the absence of independence, including the fact that “*the board member [Ed. – De Benedictis] was an employee during the previous three financial years*” [Ed. - 2012, 2013 and 2014] of a party (Finmeccanica) which “*during the previous financial year [Ed. - 2015] had a significant commercial, financial or professional relationship*” with the issuer (Ansaldo STS), even exercising control of the same (Self-Governance Code, 3.1.C, item c).

But this is not all. The board member Mr. De Benedictis is also “*a close relative [i.e. the brother] of a person [REDACTED] in one of the situations of the preceding points*” i.e. an “*employee*” of a party (Finmeccanica) which “*during the previous financial year [Ed. - 2015] had a significant commercial, financial or professional relationship*” with Ansaldo STS (Self-Governance Code, 3.1.C, item h). This fact was even initially concealed by the board member Mr. De Benedictis.

In referring in full to my notifications of 7 and 9 June and 2 August 2016 for what was inferred regarding the independence of the board members Mr. De Benedictis and Mr. Garraffo, the opinion issued by Prof. Umberto Tombari, cited by Mr Dormer has the *de facto* validity of an opinion produced in the interests of those directors who materially requested it, having an interest in the acknowledgement of the so-called “*independence*” of the board members designated by Hitachi, i.e. those board members who:

- (i) as members of the Nomination and Remuneration Committee had, **in half an hour**<sup>7</sup>, “**unanimously agreed to recommend that the Board**” appoint the *Chief Operating Officer of Hitachi Rail* as the new Managing Director and General Director of the Company and;
- (ii) as members of the Risk Committee, which also carries out the function of related party transaction committee, are liable for assessing transactions relating to the Hitachi group.

By way of confirmation of the objections raised by me and in contrast with what was declared by the Chairman Mr Dormer in the Letter to the Supervisory Authority, I remind you that during the Board Meeting of 27 July 2016, the Chairman of the Board of Statutory Auditors, Mr. Sarubbi, citing an opinion by Prof. Gaetano Marchetti, once again invited the Board of Directors to assess the position of the Board Member Mr. De Benedictis with regard to his position of independence (**Appendix 2**).

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<sup>7</sup> see my letter of 2 August 2016

#### 4. The composition of the committees internal to the Board of Directors

In referring in full to my objection on the point in question in my notification of 7 June 2016, the statement contained in the Letter signed by the Chairman Mr Dormer, according to whom, the composition of the notifications was “*absolutely in line with market practices of listed Italian companies*” is negated first of all by the history of Ansaldo STS itself, in which there is no precedent for committees established in the current form.

The composition of the committees as ‘proposed’ by the *Chief Executive Officer of Hitachi Rail* (in his capacity as Chairman of Ansaldo STS) is all the more censurable if we consider the objection regarding the independence of the so-called “*independent*” board members forming part of Hitachi’s quota.

In reality, all three of the so-called “*independent*” board members designated by Hitachi demonstrated their effective degree of independence by (supinely) endorsing the composition of committees established in the current form through their acceptance.

It is indeed obvious that the committees established in the current form could not have been established without the endorsement of the so-called “*independent*” board members, Garraffo, Painter and De Benedictis, who **did nothing** (see the minutes of the Board Meetings of 16 on 24 May 2016) to formulate alternative proposals which would guarantee the required participation of the board members designated by the minority shareholders (49.3% of the share capital), e.g. proposing to compose the two committees (a) giving the majority on the Risk Committee (acting as a committee for related party transactions) to the independent board members designated by the minority shareholders, appointing as chairman an independent board member appointed by the majority shareholder (Hitachi) and (b) giving the majority of the Nomination and Remuneration Committee to the independent board members appointed by the majority shareholder (Hitachi), appointing as chairman an independent board member appointed by the minority shareholders or other solutions, which may be hypothesised.

The mere idea that the related party committee (Risk Committee) consists of board members appointed by Hitachi (i.e. a competitor carrying out the functions of direction and coordination) as director of Ansaldo STS simply makes me shudder in the light of any principle of *best practice in corporate governance*.

#### 5. The appointment of lawyer [REDACTED] as Secretary to the Board of Directors of Ansaldo STS

In referring in full to my objections (see my notifications 7 June and 2 August 2016) to the proposal formulated by the *Chief Executive Officer of Hitachi Rail*, Alistair Dormer, in his capacity as Chairman of Ansaldo STS, to appoint the legal counsel of Hitachi Rail [REDACTED] as Secretary to the Board, a proposal approved with the sole (unanimous) vote of the executive directors and so-called “*independent*” directors within Hitachi’s quota, present on the Board of Directors of 16 May 2016, the statement contained in the Letter signed by Mr Dormer, according to which “*the competence, professional experience and standing*” of the interested party did not make “it necessary to justify the choice made” is entirely **irrelevant**.

Given that the author first of all repeatedly and publicly recognised the competence, professionalism and reputation of the [REDACTED], none of this is relevant for the purpose of the textbook conflict of interest [REDACTED] (i) as defending counsel of the shareholder Hitachi in various cases in which the shareholder Hitachi

was opposed to the shareholder Elliott for questions regarding Ansaldo STS and (ii) as Secretary of the Company or the person to which the delicate task of recording the Board Meetings was entrusted, i.e. of establishing the contents of the facts presented by the Board Meeting which, following the drawing up of the minutes, becomes the substance of what was discussed (whence the ‘guaranteeing’ role of the Secretary).

The appointment of Hitachi’s legal consultant as secretary of the Company, as proposed by the *Chief Executive Officer of Hitachi Rail*, in his different capacity as Chairman of Ansaldo STS, was approved by the Board of Directors on 16 May 2016, solely with the vote in favour of the executive board members and, needless to say, of the so-called “*independents*” within the Hitachi quota, present at the meeting, with this once again revealing the degree of independence of these latter parties, given that it appears neither logical nor reasonable that an “*independent*” board member may approve the appointment of the legal counsel of a shareholder as Secretary (i) when this is the controlling shareholder (Hitachi); (ii) when the appointment is made to replace the *Chief Legal Counsel* of the Company; and (iii) when the lawyer in question has assumed the defence of the controlling shareholder in actions in which it is opposed to minority shareholders for issues concerning the Company.

To all of this should be added four additional considerations:

- notwithstanding the fact that the executive board members and the so-called “*independent*” board members within Hitachi’s quota present at the meeting appointed [REDACTED] as Secretary to the Board of Directors, as a replacement for the *Chief Legal Counsel* of the Company (Filippo Corsi), this latter party continued to participate and intervene in all of the Board Meetings in a regular fashion (16 and 24 May, 15 June, 11 and 27 July 2016);
- with reference to the draft of the minutes of the Board of Directors of 16 May 2016, **a document of as many as 32 pages relating to a board meeting which lasted for almost 4 hours**, the secretary [REDACTED] declared to the Board that he had drawn it up basing himself solely on the transcription of his own notes, without having gone to Genoa to listen to the recording of the deliberations of the board, thereby:

(i) abstractly raising doubts as to who had effectively took the minutes as the ‘de facto secretary’;

alternatively

(ii) causing doubts to be raised about the appropriateness of the decision not to listen to the recording of the deliberations, which, in the opinion of this author, is an entirely inappropriate decision which conflicts with the guarantee function of the recording, even more so if we consider the long duration of the Board meeting, the overlapping of the interventions, the extreme sensitivity of the issues discussed and the heated confrontation between board members, who **repeatedly** called on the Secretary to take verbatim minutes of the interventions;



- by virtue of the additions and omissions, the draft of the minutes of the Board Meeting of 24 May 2016, as circulated by the Secretary on 7 July 2016 can **in no way** be considered as faithful to the discussion which took place at the Board Meeting, of which a ‘polarised’ recording was given in a ‘watered-down’ and partial manner (and in some cases, in my opinion, a ‘fanciful’ one) (see my notification of 2 August 2016).
- specifically at the Board Meeting of 24 May 2016, in response to the points raised by the board member Mr. Labruna, who complained of the irregular conduct of the Board Meeting, the Chairman Mr Dormer stated candidly *“I bear your statement however the advice I’m receiving from the Company’s Secretary is contrary to that and this board is complying with all rules and regulations of Ansaldo STS”* (Chairman Mr Dormer, Board Meeting of 24 May 2016), thereby evidently revealing the true ‘function’ [REDACTED]

**This intervention by the Chairman Mr Dormer does not appear in the draft minutes.**

We repeat to the Supervisory Authority the request to assess whether the appointment of the Company Secretary in the person of Hitachi’s legal counsel is vitiated by a conflict of interest [REDACTED] and determining how the proceedings of the board meeting held on 16 May 2016 were minuted.

#### **6. Omissive Information**

In Paragraph 5 of the Letter (which lacks a date), Chairman Dormer claimed that he had reported to Consob on the challenge regarding *“(5) presumed omission of information to the board (letters from Mr. Bivona of 7 June and 29 June)”*, thereby expressly referring to my points in the cited notifications.

I would remind you that the points on the omissive nature of the information to the board to which I objected in the cited notifications of 7 and 29 June 2016 related to two points:

- the **omissive** nature of the statements made by the board member Garraffo during the Board Meeting of 24 May 2016, since he concealed his holdings in companies based in [REDACTED] page 21 of my notification of 7 June 2016, see the notification of 2 August 2016);
- the **omissive** (and also improbable) nature of the CV submitted by the Managing Director, Mr Barr (pp. 24 and 25 of my notification of 7 June 2016; pp. 2 and 6 of my notification of 29 June 2016), since it failed to (a) document the claimed *“25 years of managerial experience”* and (b) to list the professional positions held between 1990 and 2000.

With the pretence of responding to my points to the supervisory authority on the ***“(5) presumed omission of information to the board (letters from Mr. Bivona of 7 June and 29 June)”***, in paragraph 5 of his Letter, the Chairman Dormer (i) referred to a letter sent by the Chairman of the Board of Statutory Auditors Mr. Sarubbi to Consob on 5 July 2016, submitted as *“Appendix 1”* and (ii) declared to Consob that **“on the point, at Consob’s request, Mr. Sarubbi, Chairman of the Board of Statutory Auditors has already replied”**. On closer examination, this proves to be a fanciful statement.

Indeed, it is simply sufficient to read the letter from the Chairman of the Board of Statutory Auditors (attached to the Letter from the same Chairman Mr Dormer and submitted here as **Appendix 2**) to verify that in the cited notification, Mr. Sarubbi said nothing regarding the omission of the information to which I objected in my letters “*of 7 and 29 June*”, but he intervened on all of the other issues and on a notification by a shareholder (Elliott) and a notification from another board member (Fabio Labruna).

Again on the point in question, in the Letter directed to the supervisory authorities, Mr Dormer declared that “*the Company has shown extensive willingness to provide... information to board members, including outside of board meetings*”, a statement manifestly negated (among other things, there being many examples to produce on this point) due to the fact that, following a request for access to information on the Company, which remained unexecuted, Board Member Fabio Labruna found himself **actually** obliged to contact the competent judicial authorities through a claim on the basis of article 700 of the Civil Procedure Code, notified to the Company on 15 June 2016, in order to secure access to the information and recognition of his own right/duty as director to act in an informed manner.

Moreover, as also previously recalled (see Paragraph 2 regarding an obligation of a different nature, or that of ensuring widespread disclosure to the public) the undersigned party is **still**<sup>8</sup> waiting for Mr. Barr’s CV, repeatedly requested by me, among other things, on 24, 27 and 31 May 2016, demonstrating the declared “*25 years of managerial experience in the railway sector*” and with an indication of the positions held during the period 1990-2000, which were **omitted** from the submitted CV.

Hence, contrary to what was stated by Mr. Dormer in the Letter addressed to CONSOB, it is a documented truth that “*the Company [DID NOT] express extensive willingness to provide*” the requested information, including Mr. Barr’s complete and correct CV.

On this point as well, I request that the Supervisory Authority, the Supervisory Committee and the Board of Statutory Auditors intervene within the scope of their respective powers.

#### **7. Declarations to the Board by the Chairman Mr Dormer, not compliant with the truth of the facts.**

Although in the Letter (lacking a date) Mr Dormer declared to CONSOB that he wished to respond “*to the complaints made [Ed. –by Mr. Bivona] to Consob, Borsa Italiana and to the Chairman of the Board of Statutory Auditors (in as many as four letters dated 7, 9, 14 and 29 June 2016)*”, the so-called ‘*replies*’ given (in addition to not being correct or being found to be irrelevant) were also highly ‘selective’, with nothing stated on the other points to which I objected:

- (a) **declarations not compliant with the truth of the facts made by the Chairman Mr Dormer, during the Board Meeting of 15 June 2016:** very briefly, Mr Dormer reported at the Board Meeting that he had learned from an article appearing in *Il Sole 24 Ore* of the existence of a consultancy

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<sup>8</sup> I shall state for the sake of completeness that during the board meeting held on 11 July 2016 (i.e. over a month and a half after my initial request), Mr. Barr read out information on his CV, of which little or nothing could be comprehended by the board members (including the undersigned) listening by telephone from Milan due to the extremely poor quality of the audio link activated by the Company (**a link that was so defective as to raise serious doubts regarding the validity of the board meeting**).

On the other hand, regardless of the clarifications by Mr Barr (I am awaiting the minutes in order to assess their contents), these do not exonerate him from compliance with my request to submit his CV, i.e. a document which normally does not require audiovisual support and even less, interpretive reports, with the information still missing at the time of writing.

relationship between the company of which I am a shareholder and joint founder (Bluebell Partners) and the shareholder Elliott. This statement does not correspond to the truth of the facts, being information which was already fully available to Mr Dormer (see my notification of 29 June 2016);

- (b) **contradictory information provided by the Chairman Mr Dormer and the Managing Director Mr Barr during the board meeting of 15 June 2016:** during the board meeting of 15 June 2016, the Chairman Mr Dormer and the Managing Director Mr Barr repeatedly provided seriously contradictory information to the board members regarding the participation of the Company in a call for tenders in [REDACTED], among other things, also on Hitachi's role with regard to Ansaldo STS for participation in the tender (see my notification of 29 June 2016);
- (c) **objections raised on the competence requirements of the Managing Director Mr Barr:** during the Board Meeting of 15 June 2016, after having declared that the sole reason the participation in the call for tenders in [REDACTED] described in the preceding point) was submitted to the Board Meeting was the possibility that the *Economic Value Added* (“**EVA**”) of the order could be zero and after having repeatedly sought to evade my question, the Managing Director Mr Barr was not able to explain what EVA was, a concept certainly known to anyone with over “*25 years of managerial experience*” (see my notification of 29 June 2016).

Furthermore, in reply to a question by Board Member Mr Garraffo as to why Ansaldo STS had chosen Hitachi as a partner to participate in a call for tenders (a particularly delicate point, since Hitachi is the controlling shareholder of Ansaldo STS with a function of direction and control), the Managing Director Mr Barr stated that he did not consider himself ‘qualified’ to reply, an answer that was literally greeted with a chorus of **astonishment and embarrassment**. These are extremely serious facts of interest to the supervisory authorities in the light of my objections in Paragraphs 1, 2 and 6 (see above).

I hereby ask the supervisory authority to request that the Chairman Mr Dormer also provide a ‘reply’ on these points not even mentioned by him.

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I shall permit myself the observation that I felt uneasy in reading the Letter signed by the Chairman Mr Dormer, not so much on account of its content but because I witnessed him applying directly to the CONSOB Commission, to Borsa Italiana and to the Chairman of the Board of Statutory Auditors.

As director, I can simply set forth the facts in the greatest possible documentary detail, as I believe I have done until now and as I undertake to do in the future, inviting CONSOB, Borsa Italiana, the Supervisory Committee and the Board of Statutory Auditors to determine and verify the correctness of the content of the Letter sent in the name and on behalf of the Company by Mr Dormer in his capacity as Chairman.

In particular, I request that the Supervisory Committee determine whether the content of the Letter signed by the Chairman Mr Dormer and each of the facts presented in it may constitute a possible infringement of the Code of Ethics and/or the regulations of the Company.

I am entirely at your service for any explanations.

Yours faithfully,

[SIGNATURE]

Giuseppe Bivona

**Appendices**

1. Letter from the Chairman of Ansaldo STS Mr Dormer to the Supervisory Authorities (undated document)
2. Minutes of the Meeting of the Board of Statutory Auditors of Ansaldo STS (21 July 2016)

Attn:

Alistair John Dormer, Chairman

Katherine Jane Mingay, Vice Chairman

Andrew Thomas Barr, Managing Director

**Ansaldo STS**

Cc: Rosa Cipriotti

Alberto de Benedictis

Mario Garaffo

Fabio Labruna

Katharine Rosalind Painter

**Independent Board Members, Ansaldo STS**

Giacinto Sarubbi

**Chairman of the Board of Statutory Auditors – Ansaldo STS**

Enrica Spinardi

Renato Righetti

**Statutory Auditors - Ansaldo STS**

4 August 2016

Dear Chairman Mr Dormer, Vice Chairman Ms Mingay and Board Member Mr Barr

**Re: Appointment of Administrator, Press Release of 1 August 2016**

Further to the Press Release issued by the Company on 1 August 2016, I wish to know whether new facts have arisen to date with regard to the issue in question, of which the executive directors are aware and of which the Board (and the market) have not yet been informed. I respectfully remind you of the specific request of the Board Members during the Board Meeting of 27 July to be kept up to date in a timely fashion on the developments of a very sensitive situation which evidently deserves the attention of the entire Board.

Thank you for your attention,

Yours sincerely,

[SIGNATURE]

Giuseppe Bivona

Appendices

1. Press Release of 1 August 2016

Attn:

Alistair John Dormer, Chairman

**Ansaldo STS**

## Cc:

Katherine Jane Mingay, Vice Chairman

Andrew Thomas Barr, Managing Director

**Executive Board Members, Ansaldo STS**

Rosa Cipriotti

Alberto de Benedictis

Mario Garaffo

Fabio Labruna

Katharine Rosalind Painter

**Independent Board Members, Ansaldo STS**

Giacinto Sarubbi

**Chairman of the Board of Statutory Auditors – Ansaldo STS**

Enrica Spinardi

Renato Righetti

**Statutory Auditors - Ansaldo STS**

Nicoletta Garaventa

**Supervisory Committee, Chairwoman - Ansaldo STS**

Giacomo Galli, Managing Director, Protiviti S.r.l

**Internal Audit Function Manager - Ansaldo STS**

5 August 2016

Dear Mr Dormer,

**Re: Deficiencies of information flows to Board Members**

I once again wish to bring your attention to the information flows to Board Members.

**1. Board of Directors of 27 July 2016 - Point 10 of the Agenda**

As you are aware, the Board Meeting of 27 July 2017, in Item 10 of the Agenda (“*information note regarding exercise of the delegated powers pursuant to article 23.3 of the Articles of Association<sup>1</sup> and the Self-Governance Code of Borsa Italiana Sp.A<sup>2</sup>*”) provided for the report by the Managing Director Andrew Barr on the exercise of delegated powers with regard to the most important transactions carried out by the Company during the second quarter of 2016, pursuant to the criteria determined by the Board<sup>3</sup>, including, among others, the “*consultancy duties of any type and for any amount*” (**Appendix 1**).

On conclusion of the report by Mr Barr, I formulated a specific question regarding possible consultancy duties entrusted by Ansaldo STS to the legal firms [REDACTED]. Neither the Managing Director Mr Barr nor the *Chief Financial Officer* Carassai, who intervened in the discussion, were able to reply, reserving the right to an investigation in greater depth, of which they would subsequently inform me. At the end of the Board Meeting, Mr. Carassai confirmed to me the existence of an unpaid invoice to the firm [REDACTED], confirming that he would let me know in writing via e-mail.

As you know, I have requested the reply as many as four times (**Appendix 2**), five including this notification, without receiving a reply, i.e. more than a week after the Board Meeting of 27 July 2016.

I would remind you that it is a specific duty of the delegated bodies “*to report to the board on the activity carried out during the financial year for the powers attributed to them*” (Self-Governance Code of Borsa Italiana SpA). Replying “***in timely fashion***” (Ansaldo STS Articles of Association, 23.3) to the question of a board member about exercise of the delegations is not only an active simple courtesy or of ‘good governance’ but is above anything else, a specific duty of the delegated bodies.

## 2. Request for Appointment of the Administrator

With reference to the action taken by the Funds Elliott International L.P., The Liverpool Limited Partnership and Elliott Associates L.P. (“**Elliott**”) described in the Company notifications on 16, 18, 22<sup>4</sup> July and 1 August 2016, this morning on opening the press review of Ansaldo STS (**Appendix 3, abstract**), I read in an article in *Il Sole 24 Ore* that:

- (a) a new petition had been re-presented by Elliott to appoint a special administrator;
- (b) the audience in chambers had been set for 8 August 2016 (i.e. next Monday);
- (c) the judge had summoned the legal representatives of the Company in the person of its Chairman, Vice Chairman and Managing Director;

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<sup>1</sup> “The delegated bodies report ***in timely fashion*** to the board of directors and to the board of statutory auditors, or in the absence of delegated bodies, the directors report in timely fashion to the board of statutory auditors, at least once a quarter and in any case, on the occasion of the meetings of the board itself, on the activities carried out, on the general progress of management and on its outlook, as well as on the operations of greater economic, financial and pecuniary significance, or in any case, of greater significance on account of their dimensions or characteristics, carried out by the Company and by the subsidiaries; in particular, they report on operations in which they have an interest, on their own behalf or on that of third parties. The notification may be made on the occasion of board meetings or in writing”. (Ansaldo STS, Articles of Association, Article 23.3).

<sup>2</sup> “the delegated bodies ***must report to the board*** on the activity carried out during the financial year for the delegated powers granted to them” (1.C.1 d, Self-Governance Code).

<sup>3</sup> With a decision of 8 November 2006, subsequently supplemented and partially amended with decisions of 10 December 2009 and 26 July 2013.

<sup>4</sup> The Press Release of 22 July 2016 (wrongly) refers to the “*previous notifications of 15 and 18 July 2016*” with this presumably to be understood as the notifications of “**16** and 18 July 2016”). I invite the Company to pay greater attention to details, above all when they relate to notifications to the public.



- (d) the legal representatives of the Company did not intend to present themselves (logically, I would expect this item of information to prove incorrect, given that in the petition for the revocation of the initial appointment measure, the Company had invoked the defect of nullity **“for infringement of the principle of an adversarial hearing”** having been granted *without a hearing for the other party* (bold in the original text).

As you are aware, during the Board Meeting of 27 July 2016, the board members asked to be regularly informed of developments on a very sensitive question that the Board must be capable of monitoring with extreme attention. I myself had taken care yesterday (4 August 2016) to ask you for an update on the situation, for which I have not received a reply (except for reading about it in today's newspapers).

I ask you to confirm whether what is stated in the media corresponds to the truth and to forward petitions, entries of appearance and decisions by the judge (*if any*) to the Board Members.

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I remind you of what you stated to the Consob Committee in the (undated) letter signed by you, having as object *“Notifications presented by the Board Member Mr Bivona and the Elliott and Amber Capital funds”*:

***“The Company has shown extensive willingness to provide information to the board members, within the limits of reasonableness and in accordance with the requirements of the company organisation and the topicality of the interest”.***

(Alistair Dormer, Chairman of the Board of Directors of Ansaldo STS).

Leaving aside any other consideration, which is genuinely superfluous, I once again regret that I have to note an attitude that does not contribute to creating a serene climate of collaboration within the Board, as a necessary prerequisite for the correct functioning of the corporate bodies.

Yours sincerely,

[SIGNATURE]

Giuseppe Bivona

### **Appendices**

Appendix 1 - Point 10 on the agenda of the Board of Directors of Ansaldo STS (27 July 2016)

Appendix 2 - Notification requesting a reply to the question at the Board Meeting by G. Bivona

Appendix 3 - Article in Il Sole 24 Ore (5 August 2016)

Nicoletta Garaventa

**Supervisory Committee, Chairman – Ansaldo STS**

Giacinto Sarubbi

**Chairman of the Board of Statutory Auditors – Ansaldo STS**

Enrica Spinardi

Renato Righetti

**Statutory auditors – Ansaldo STS**

**CC:**

Giuseppe Maria Berruti

Carmine di Noia

Anna Genovese

Paolo Troiano

Giuseppe Vegas

**Italian National Stock Exchange Supervisory Commission – CONSOB**

via email: [consob@pec.consob.it](mailto:consob@pec.consob.it)

Francesca Fiore

Maria Letizia Ermetes

Corporate Governance Division Markets Division

**CONSOB**

via email: [dcg@pec.consob.it](mailto:dcg@pec.consob.it)

8 August 2016

Dear Chairman Garaventa/Chairman Sarubbi,

**Re: Verification of a breach of the Related Party Procedure adopted by Ansaldo STS pursuant to Art. 4 of Consob Regulation 17221 of 12 March 2010**

The Board of Directors of Ansaldo STS (the “Company”) was urgently convened on 5 August 2016 with the proposal to “*authorise the Company to present the offer [the “Offer”, ed.] for the creation of [REDACTED] lines. The Company will operate as part of a Temporary Association of Companies – comprising the companies [REDACTED], Ansaldo STS and Hitachi Rail Italy – which will act as Sub General Contractor of [REDACTED], acting as General Contractor. The Board’s authorisation was required as the offer in question exceeds the value of €150 million*” (**Appendix 1**).

As the Offer concerns Hitachi Rail Italy, the Risk Committee – which also performs the functions of the Related Party Committee, (correctly) met and then approved the operation on 5 August 2016 before the Board meeting.

As part of the documentation sent to the Board Members in preparation for the BoD meeting of 5 August, the Company sent a Memorandum of Understanding, signed on **19 May 2016** by [REDACTED] “*on the one hand*” and by the three companies participating in the Temporary Association of Companies ([REDACTED], Ansaldo STS SpA and Hitachi Rail Italy SpA) “*on the other hand*” with the object of “*undertaking to collaborate exclusively to ensure the assignment of the Project to [REDACTED]*” (the “**MoU**”), **Appendix 2**), where the “Project” is precisely the object of the Offer that the Company’s BoD had been convened to authorise.

The MoU itself (Appendix 2), signed by Ansaldo STS in temporary association with [REDACTED] and Hitachi Rail Company (“**Hitachi**”) – which is a related party of Ansaldo STS – on 19 May 2016, was therefore the natural pre-requisite of the authorisation requested from the Board of Directors to “*authorise the Company to present the offer for the creation of [REDACTED] lines, operating “as part of a Temporary Association of Companies comprising [REDACTED], Ansaldo STS and Hitachi Rail Italy”, as explained in the information pages (Appendix 1).*

**To my great surprise, I learned at the meeting of the Board of Directors of 5 August 2016 that the MoU signed on 19 May 2016 (only sent to the Board on 4 August 2016) had not been submitted to the Related Party Committee for authorisation and had therefore not been taken to the Board of Directors before being signed.**

There can be no serious doubt that the MoU itself amounts to a contract appropriate for the transfer of resources, services or obligations between its signatories ([REDACTED], Ansaldo and Hitachi) and therefore also between Ansaldo and Hitachi.

Given that Ansaldo and Hitachi are related parties, it seems entirely natural to me that– before being signed – the MoU should have required approval by the Related Party Committee and by the Board of Directors. **None of this happened.**

As per the minutes of my speech to the BoD (5 August 2016), there are at least two clauses that, in my opinion, give rise to an **obligation** to obtain approval from the Related Party Committee (and from the Board of Directors) before the MoU was signed on 19 May 2016:

(i) Art. 3.1 of the MoU, in which [REDACTED], Ansaldo and Hitachi “*undertake to collaborate **exclusively***”. The binding nature of the agreement is even more apparent given that the Information Note sent to the Board (Appendix 1) acknowledges that the [REDACTED] have no exclusive in respect of the end-customer ([REDACTED]) and that “*it is possible that [REDACTED] is also seeking proposals from other competitors/countries*” (Appendix 1);

(ii) Art. 3.2 of the MoU, in which Ansaldo, [REDACTED] and Hitachi “*assume **joint and several liability** in respect of [REDACTED] as regards the provisions of the Memorandum of Understanding, also undertaking to hold [REDACTED] harmless for any cost, expense or claim from third parties arising due to any failure by the Companies [Ansaldo, [REDACTED] and Hitachi, ed.] to fulfil the provisions of this Memorandum of Understanding*”. This means that (a) if Hitachi fails to fulfil the provisions of the MoU for any reason and (b) [REDACTED] is consequently subject to a claim by a third party (e.g. [REDACTED]) for an amount of 100, Ansaldo has undertaken to potentially sustain the entire amount (100) in respect of [REDACTED] if Hitachi, in the first instance, and [REDACTED], in the second instance, are not willing (or able, for example in the case of insolvency) to honour their respective portions of the liability.

Furthermore, and leaving aside the contractual aspects for a moment, there can be no serious doubt that the signing of the MoU created a *de facto* obligation between the parties – and therefore between Ansaldo STS and Hitachi Rail also – as the MoU is, in turn, the “offspring” of an agreement signed [REDACTED] on 25 January and a subsequent agreement signed between the respective companies [REDACTED] on 12 April 2016 (**Appendix 3**). In other words, the MoU created an “effective status” of which the Board had not even been informed and from which in practice it is extremely difficult (if not impossible) to withdraw.

During the discussion in the BoD meeting of 5 August 2016, I brought the matter up, asking (a) why the MoU had been signed on 19 May 2016 without prior approval by the Related Party Committee and the Board of Directors and (b) whether the question had been addressed by the Risk Committee, which on 5 August 2016 had expressed a favourable opinion on the Company presenting the Offer in accordance with the MoU (i.e. in temporary association with Hitachi and [REDACTED]):

(i) Mr. Garraffo (a member of the Risk Committee) confirmed that the Risk Committee, which met on the same day, had brought the matter up and that the MoU signed on 19 May 2016 had not been submitted to the Related Party Committee for approval as “*it is only necessary when there are figures to be provided in the document [the MoU, ed.]. When there are no figures there is no need to submit the document [the MoU, ed.] to the related party committee*”, adding that “*this opinion has been provided by the legal counsel of the company [Filippo Corsi, ed.] and by the legal department*” (Mr. Garraffo, BoD meeting of 5 August 2016);

(ii) Filippo Corsi, the Company’s General Legal Counsel, referred to directly by Mr. Garraffo and present at the BoD meeting as the *pro tempore* Secretary, provided a completely different explanation, stating, *inter alia*, the following (I reserve the right to check the minutes to verify the exact words spoken):

- “*the agreement [the MoU, ed.] that was signed [19 May 2016, ed.] is a document which is providing standards elements which we normally include in agreement of such kind. In particular with reference to the liability that you were mentioning [Art. 3.2 of the MoU, ed.] it is usual in contracts for this type ... [that, ed.] [REDACTED] is asking to be supported by the general sub-contractors (temporary joint venture agreement between Ansaldo STS, [REDACTED] and Hitachi Rail) and – as it customary in this type of transaction – the parties of the joint-ventures are jointly and severally liable towards their client. This is a scheme which is replicated inevitably in any project that Ansaldo STS does in Italy and all over the world’ . .... [sic]*

- “ .... the reason why the Memorandum of Understanding [the MoU, ed.] was not provided to the attention of the related parties committee is simply because ... (1) the agreement is standard in all of its forms; (2) this could not be regarded as a related party transaction - according to my interpretation - since the company was selected by [REDACTED] and since related party transactions concern transactions were [sic] there is a transfer of resources by one company to the other and this is not the case because in terms of liabilities we have a fungible situation as Hitachi is jointly and severally liable to the client. But here the scope of the work is to perform the work by each company autonomously towards the client so in terms of transfer of value the transfer of resources and services have no point of contacts between the company involved (3) because – and this is my interpretation – the company was selected by the client [..., ed.]” (Filippo Corsi, BoD meeting of 5 August 2016, ed.)
- “it is usual for this kind of contracts that if there is a breach of contract by one party this could be extended to party who comply with the contract. The parties are signing documents which are currently negotiated and will be signed as part of the offer according to which each party undertake to hold harmless the other parties in case of damages originated at one party’s fault. Therefore in terms of liabilities and potential damages arising from one party (Hitachi) to another party (Ansaldo STS) there is the appropriate scheme – which is a standard scheme – in order to neutralise the impact of this breach ...” [sic] (Filippo Corsi, BoD meeting of 5 August 2016)

None of the explanations provided by Mr. Garraffo and by Filippo Corsi are “convincing” (euphemistically speaking).

Mr. Garraffo's explanation was erroneous, as anyone bothering (if only once in their lives) to read Ansaldo STS's Related Party Regulations (particularly paragraph 2 h) would be aware, and pursuant to Consob Resolution 17221 of 12 March 2010 (particularly Appendix 1, paragraph 1): “*A related party transaction is understood as being any transfer of resources, services or obligations between related parties, **regardless of whether a consideration has been agreed***”. And in fact the explanation provided by Mr. Garraffo, which allegedly came from the Chief Legal Counsel, Filippo Corsi, was not confirmed by the latter.

Instead, Mr. Corsi gave **three** “explanations” of which two are completely irrelevant (and therefore extremely irritating<sup>1</sup>) – (1) that the MoU is a “standard” document for these types of transactions and (2) that the parties, including Ansaldo STS and Hitachi Rail, had been directly chosen by [REDACTED] – and are not even worthy of comment, and **one** that is clearly erroneous, as it is based on a (questionable) misunderstanding of the difference between (a) the **existing obligations** between [REDACTED], **Ansaldo STS** and **Hitachi**, which **were created** due to the signing of the MoU, the non-submission of which to the Related Party Committee and the Board of Directors before it was signed on 19 May 2016 is being contested; and (b) the **new obligations** that **will be created** between [REDACTED], **Ansaldo STS** and **Hitachi** with the submission of the Offer, which was approved by the Related Party Committee and the Board of Directors on 5 August 2016.

My view is that the signing of the MoU by Ansaldo STS and Hitachi on 19 May 2016 without the authorisation of the Related Party Committee (and the Board of Directors) may have constituted **a serious breach of the**

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<sup>1</sup> Given Filippo Corsi's role as Ansaldo STS's Chief Legal Counsel.

**Related Party Procedure**, which is precisely what I am asking the Supervisory Committee and the Board of Statutory Auditors to verify.

In my opinion, the signing of the MoU with Hitachi Rail on 16 May 2016 without the prior approval of the Related Party Committee and the Board of Directors should also be assessed by the Supervisory Committee and the Board of Statutory Auditors in light of three further **aggravating** circumstances:

- the project's high importance, given that the MoU relates to a project worth €[REDACTED] in total (ASTS's share of which is €[REDACTED]), certainly one of the company's biggest projects);
- although the end-customer is [REDACTED], the operation was constructed with [REDACTED] as General Contractor ([REDACTED] is the customer of the Temporary Association of Companies comprising [REDACTED], Ansaldo and Hitachi): this circumstance is likely to “amplify” the potential conflict of interest – the fundamental pre-requisite that authorisation has to be obtained from the Related Party Committee – because [REDACTED] is an **extremely important** customer of Hitachi Rail (with an estimated €[REDACTED] in orders in the period 2016-2019, equal to [REDACTED])<sup>2</sup>. Ansaldo STS is therefore in an association of companies – with no authorisation from the Related Party Committee or the BoD – with Hitachi Rail (its controlling shareholder with a management and coordination role) and with [REDACTED], one of Hitachi Rail's biggest customers, as its client.
- not only did the Company's executive directors fail to submit the MoU to the Related Party Committee (and to the Board) before it was signed, but, despite the fact that the signing took place on **19 May 2016**, they also did not have sufficient respect (or civility) to inform the Board of this at any of the successive BoD meetings (14 May, 15 June, 11 and 27 July 2016), only making the directors aware on 4 August 2016, before the BoD meeting called “*as a matter of urgency*” for **5 August 2016**, thus leaving the Board no margin to take any different standpoint on an offer in which Ansaldo STS's traditional role has been downgraded **from systems-integrator for the entire project AND technology provider** (e.g. Copenhagen) to **sub-sub technology provider** (end-customer: [REDACTED]; General Contractor: [REDACTED] Agent of the Temporary Association of Companies: [REDACTED]; Principals of the Temporary Association of Companies: Ansaldo STS and Hitachi Rail). **As a Board Member, words cannot adequately express my disapproval of this situation.**

Personally, leaving aside the formal and substantive analysis of the related party procedures (which I kindly ask you to verify), I find it **highly reprehensible** in terms of proper corporate governance that we could even think about signing – as we did – an agreement (the MoU) that provides for a Temporary Association of Companies with Hitachi Rail to take part in a call for tenders (particularly one of this importance) without the Related Party Committee and the Board of Directors of Ansaldo STS being informed.

With the kind permission of the Company's Chief Legal Counsel (Filippo Corsi) – **whom I would like to be formally held to account for his statements to the Board meeting of 5 August 2016, which were incorrect** – I

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<sup>2</sup> Source: Finmeccanica – Ansaldo Breda Plan (January 2015)

categorically refuse to believe that what took place was “*standard procedure*”, previously followed by the Company in similar situations, and I would therefore like you to verify **how/where/when/by whom** participation in a Temporary Association of Companies (or a consortium or joint venture, which, moreover, have very different legal profiles from that of a TAC and as such would not even constitute a precedent) has ever been agreed between Ansaldo STS and Hitachi Rail (as Ansaldo STS’s controlling shareholder with a management and coordination role) **without prior approval by the Related Party Committee and by the Board of Directors.**

During the BoD meeting of 5 August 2016, I approved, with reservations<sup>3</sup>, the Company’s request to submit the Offer, and could only acknowledge the existing obligations assumed on the basis of the MoU. Obviously, where these obligations do not have a legitimate basis, I reserve the right to take any future action to safeguard the interest of the Company.

\*\*\*

I therefore respectfully ask the Supervisory Committee and the Board of Statutory Auditors to verify whether the signing of the MoU represented a breach of the Related Party Procedure adopted by Ansaldo STS pursuant to Art. 4 of Consob Regulation 17221 of 12 March 2010 and to refer the above to the Board.

Yours sincerely,

Giuseppe Bivona  
[signed]

### **Appendices**

- Appendix 1 – Board of Directors’ Meeting Notice (5 August 2016)
- Appendix 2 – Memorandum of Understanding between (a) [REDACTED] and (b) [REDACTED], Ansaldo STS and Hitachi Rail Italy (**19 May 2016**)
- Appendix 3 – Agreement between [REDACTED] (12 April 2016)

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<sup>3</sup> Specifically, I gave my approval on condition that the Offer contracts are completed in such a way as to ensure that Ansaldo STS does not have to sustain in any “state of nature” costs relating to non-fulfilment of the Offer contracts by Hitachi Rail (and Astaldi). Clearly, this condition does not resolve in any way the possibility that Ansaldo STS will have to sustain costs generated by non-fulfilment by Hitachi Rail [REDACTED] of obligations existing as a result of the signing of the MoU (without the BoD being informed).

Alistair John Dormer, *Chairman*

**Ansaldo STS**

**CC:**

Giacinto Sarubbi, *Chairman*

Enrica Spinardi

Renato Righetti

**Board of Statutory Auditors of Ansaldo STS**

Andrew Thomas Barr

Rosa Cipriotti

Alberto di Benedictis

Mario Garraffo

Fabio Labruna

Katherine Jane Mingay, Vice-Chairman

Katharine Rosalind Painter

**Board of Directors of Ansaldo STS**

2 September 2016

Dear Chairman Dormer,

**Re: Communication from Chairman Dormer entitled “*Conflict of Interest*” of 31 August 2016**

I find your communication entitled “*Conflict of Interest*” of 31 August 2016 (attached herein as Appendix 1, for the benefit of Board Members who had not been apprised of your initiative) very surprising, for the following reasons.

First of all, the assumption that information relating to any directors’ interests should be provided in writing outside of Board meetings has no basis in law or, to my knowledge, in practice (and certainly not “*generally recognised best practice*”).

In fact, the opposite is true: that is, a director taking part in a Board meeting should normally make the disclosures required pursuant to Art. 2391 of the Italian Civil Code at this meeting, without any specific limitations as to form, so that this can be taken into account at the time of the resolution and recorded in the minutes.

In the case in question, I fulfilled this obligation at the meeting of 27 July 2016 (**even though no Board resolution was submitted for my approval, as it merely involved your – tardy – provision of an information note to the directors**), as you yourself acknowledge in your email, with disclosure that was clearly regarded as



adequate and exhaustive by the Board, given that no objections were raised at that meeting and nothing further was asked of me.

Furthermore, you yourself state that “*the Board (...), and the Board of Statutory Auditors*” have “*the right to request this information*”, i.e. information in addition to that provided in the Board meeting. This is, therefore, a prerogative of the collegiate body, and as such can be exercised after discussion and resolution on the matter and not on the autonomous initiative of the chairman. In this case, I do not believe that such a resolution was adopted, and therefore your request is – also for this reason – **anomalous, irregular and as such, in my view, reprehensible.**

Lastly, but certainly not least, allow me to draw your attention to the following:

- on the one hand, the particularly sensitive and confidential nature of the information requested in the questionnaire (particularly the information relating to the financial terms of the consultancy relationship between Elliott and Bluebell Partners, which, furthermore, are subject to confidentiality clauses, just as the undersigned is subject to confidentiality restrictions in respect of Bluebell Partners, of which I am a shareholder, naturally having to make the distinction between the undersigned director of Ansaldo STS as a natural person and Bluebell Partners as an entity with legal personality that has a consultancy relationship with its clients);
- on the other hand, your position, which is far from disinterested (as the Court of Genoa also ruled in its provisions for the appointment of the special administrator) with regard to the legal action brought by Elliott against the Company and Hitachi.

In my opinion, both of these aspects demand further investigation into any directors' interests with regard to this matter, after a Board resolution, by directors who are independent and not “interested” (directly or indirectly) and who are specifically appointed for this purpose, in any case according to a principle of equal treatment (also with respect to the directors from Hitachi), while adequately safeguarding everybody's privacy and making the necessary commitments concerning the use of the information provided.

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Without prejudice to the above, I would like to call your attention, and that of the Board of Statutory Auditors, to a very important matter implicitly arising from your communication (and for which I am grateful).

As you will know, the legislation relating to “directors' interests” (Art. 2391 of the Italian Civil Code) stipulates, as well as the obligation to “*give notice*” of any interest that the director has “*on his own behalf and on behalf of third parties*”, further and more stringent obligations for the managing director, and notably the obligation to “**refrain from carrying out the transaction, assigning responsibility for it to the board**”.

**In this case, Managing Director Andrew Barr does not appear to have fulfilled this obligation.**

I would like to remind you that, as soon as the Board Members learned from the Company's press release of 16 July 2016 that “*the Liverpool Limited Partnership and Elliott Associates L.P. have asked the Court of Genoa to annul the shareholders’ meeting resolution of 13 May 2016 to appoint the board of directors*” (Ansaldo STS press release, 16 July 2016), the undersigned immediately asked you to call a meeting of the Board of Directors “*to inform the Board Members so that any appropriate resolution can be adopted in the Company's interest*” (**Appendix 2**). Similar requests were made to you on 18 July 2016 by independent Board Members Rosa Cipriotti (**Appendix 3**) and Fabio Labruna (**Appendix 4**).

Despite these repeated requests from the Board Members, and by a decision that was not subject to any prior discussion or approval by the Board of Directors, on 21 July 2016, the Company, “*in the person of its managing director and legal representative “ing. ing.” (“engineer engineer”) Andrew Thomas Barr* (**Appendix 5**) – “ing.” being repeated twice, perhaps as a reinforcement device (i.e. “double engineer” Andrew Thomas Barr) - requested the revocation of the appointment of the special administrator that had been decided on 14-15 July 2016 by the President of Section IX of the Court of Genoa, upholding the petition submitted by the Elliott Funds.

Basically, one of the directors regarding whom a shareholder (the Elliott Funds) had brought up the potential conflict of interest in respect of the Company in relation to the “*legal actions taken by the Elliot Funds against the Company*” – a conflict verified first of all by the President of Section IX of the Court of Genoa on 14-15 July 2016 and again confirmed by the Court of Genoa (ruling in collegiate form) on 11 August 2016 – took decisions concerning these legal actions – including, recently, the decision to file an appeal on 18 August 2016 pursuant to Art. 739 of the Italian Code of Civil Procedure with the Genoa Court of Appeal – without assigning responsibility for such decisions to the Board of Directors and thus contravening the obligations of disclosure, abstention and referral of any decision to the collegiate body, pursuant to Art. 2391 of the Italian Civil Code, which you yourself, in your communication of 31 August 2016, **readily recognised as applicable in relation to the matters at hand (for which I am also grateful)**.

Therefore, taking my cue from your communication of 31 August 2016, I therefore respectfully request that the Board of Statutory Auditors verify whether the directors who actually took decisions and initiatives in the name and on behalf of the Company in relation to the “*legal actions taken by the Elliott Funds against the Company*” – with no prior resolution by the Board – complied with the legal obligations imposed upon them (Art. 2391 of the Italian Civil Code).

I remain at your disposal and send my best regards. Have a good weekend.

Giuseppe Bivona

[signed]

**Appendices:**

- Appendix 1 – Communication of Chairman Alistair Dormer (31 August 2016)
- Appendix 2 – Letter from G. Bivona (17 July 2016)
- Appendix 3 – Communication of Board Member Cipriotti (18 July 2016)
- Appendix 4 – Communication of Board Member Labruna (18 July 2016)
- Appendix 5 – Petition filed by Ing. Ing. Thomas Andrew Barr (21 July 2016)

*For the attention of:*

Giuseppe Maria Berruti

Carmine di Noia

Anna Genovese

Paolo Troiano

Giuseppe Vegas

**Italian National Stock Exchange Supervisory Commission – CONSOB**

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CC:

Giacinto Sarubbi

**Chairman of the Chairman of Statutory Auditors – Ansaldo STS**

Enrica Spinardi

Renato Righetti

**Statutory auditors – Ansaldo STS**

4 October 2016

Dear Sir/Madam,

**Re.: Ansaldo STS – Alleged breach of Related Party Regulations**

In view of the relevance of the questions raised, I attach a copy of the communication sent by Rosa Cipriotti, a Board Member at Ansaldo STS, to Alistair Dormer, Chairman of the Board of Directors at Ansaldo STS (**Appendix 1**). For the purpose of completeness, I also attach the communication sent by Chairman Dormer through Filippo Corsi, the Company's Chief Legal Counsel (**Appendix 2**).

Given that I regard as **ludicrous, to say the least**, the attempt to justify the fact that a contract for a project worth €[REDACTED], signed by Ansaldo STS and its controlling shareholder (Hitachi Rail) on the one hand, and by Hitachi Rail's main Italian customer ([REDACTED]) on the other, was not submitted to the Related Party Transaction Committee (and BoD) by saying that it involves "*an ordinary transaction*" that is exempted by Art. 10.2.C of Ansaldo STS's Related Party Regulations, or that it involves "*Ordinary transactions concluded under conditions similar to those usually practised in respect of unrelated parties for transactions of a similar nature, scale and risk*", Mr. Corsi, in his communication (**Appendix 2**), seems to suggest that Consob had been informed of this, "implying" that the regulator shares the position taken by Chairman Dormer, with

no objections in the matter (I do not know whether this is correct or not, and it therefore seems useful to inform the regulator at least).

Furthermore, I would like to remind you that I myself brought up the question with regard to Consob in my letter of 8 August 2016 (*“Verification of a breach of the Related Party Procedure adopted by Ansaldo STS pursuant to Art. 4 of Consob Regulation 17221 of 12 March 2010”*, Giuseppe Bivona, 8 August 2016).

I would like to hope that the exercise of powers to safeguard the proper functioning of corporate governance is not limited to accepting an assertion that is, at first sight, **improbable**, but will ask – just as Board Member Cipriotti requested – for all the confirmation necessary to support Chairman Dormer's assertion, through Filippo Corsi, that the contract *“fall[s] under an ordinary transaction”* (**Appendix 2**).

I would expect Consob to ask the Company to produce a list of **all the “memoranda of understanding” signed by the Company of the same “nature, scale and risk” as the MoU in question, or “the commitment to collaborate exclusively to ensure the assignment of a project”** (Art. 3 of the Memorandum of Understanding signed on 19 May 2016) for a high-speed line with an order value of [REDACTED] with an equivalent level of risk (end-customer in countries where Ansaldo STS has never worked before and characterised by an equivalent level of risk [REDACTED]).

Given that, during my entire time on the Board of Directors of Ansaldo STS, I have not seen any previous similar contracts, with related (or unrelated) parties, I will be quite happy to acknowledge that the “Memorandum of Understanding” signed by Ansaldo STS on 19 May 2016 should be regarded as an “Exempt Transaction” pursuant to Art. 10.2.C of Ansaldo STS’s Related Party Regulations with a procedure adopted pursuant to Art. 4 of Consob Regulation 17221 of 12 March 2010, as soon as I receive documentary evidence: **the question is serious and I expect it to be treated seriously.**

I therefore expect Consob to acquire **ALL** the memoranda of understanding similar to that signed by the Company on 19 May 2016 or concluded under *“conditions similar to those usually practised in respect of unrelated parties for transactions of a similar **nature, scale and risk**”* (Art. 10.2.C).

Personally, I would not be surprised if the Memorandum of Understanding in question could not be regarded as an “Ordinary Transaction” (or *“part of the ordinary operating activities and related financial activities of the Company and/or the ASTS Group”*, Ansaldo STS Regulations) even if it had been concluded with unrelated parties (let alone with Hitachi Rail). I would be happy to be wrong, of course.

I am sure that these checks have already been started by Consob, in which case I apologise for having stated the obvious.

Yours sincerely,  
Giuseppe Bivona  
[signed]

Giacinto Sarubbi, *Chairman*

Enrica Spinardi

Renato Righetti

**Board of Statutory Auditors – Ansaldo STS**

3 November 2016

Dear Chairman Sarubbi/Ms Spinardi/Mr Righetti,

**Re.: Verification of the independence requirements of Mr. de Benedictis**

I would like to return to the question of the independence of Board Member de Benedictis, which the Board of Statutory Auditors has also brought up repeatedly, most recently at the meeting of the Board of Directors of Ansaldo STS (the “**Company**”) of 27 July 2016. The question, which was never resolved by the Board of Directors after the last meeting of 27 July 2016, and is far from being regarded as “*closed*” (as Chairman Dormer asserted through Filippo Corsi in a communication dated 23 September 2016, **Appendix 1**), was enriched on 27 and 28 October with **new and definitive evidence** which I would like the Board of Statutory Auditors to assess carefully.

**I. Communication of Mr. de Benedictis (17 October 2016)**

In support of his own self-declaration of “*independence*”, on 27 October 2016, Mr. de Benedictis sent a letter (**Appendix 2**) to Chairman Dormer – and to you for information purposes – in order to refute the statements made by Mr. Marchetti in the opinion recorded in the minutes of the meeting of the Board of Statutory Auditors of 21 July 2016, according to which “*the important profile (and for me this absorbs and surpasses any other) is that in the last three years, AdB has been a “senior representative” of a company (Finmeccanica UK) of strategic importance, under Finmeccanica's common control*” (**Appendix 3**).

The line of reasoning presented in Board Member de Benedictis's letter mainly focuses on the following assertions: “*Finmeccanica UK was not one of Finmeccanica SpA's top-tier companies, nor was it a strategically important company*”; “*the position of CEO of Finmeccanica UK did not have the same value as similar positions in the group's (Finmeccanica's, ed.) operating companies*”; “*the role of CEO of Finmeccanica UK is not regarded as a top position*”; and “*(Finmeccanica UK, ed) was not within the scope of consolidation*” of Finmeccanica (**Appendix 2**).

I would like raise the following objections to Mr. de Benedictis's argument:

1. Finmeccanica's activities in the UK are historically one of the group's main businesses, contributing revenues of approximately £2 billion, providing work for around 8,500 employees in segments ranging from helicopters (Augusta Westland) to avionics and radar (Selex). This business is so important that the UK is seen by Finmeccanica as a “*domestic market*”, on a par with Italy (**Appendix 4**);

2. As readily stated in the CV filed, Mr. de Benedictis was Managing Director of Finmeccanica UK from “2006 to 2015”. His duties, again as stated by the interested party, included the role of “*chairman or member of the board of directors of major, top-level companies and joint ventures of the Finmeccanica group*” (**Appendix 5**);

3. Moreover, Board Member de Benedictis himself, in the CV submitted before the shareholders’ meeting of Ansaldo STS of 13 May 2016 (Appendix 5), described his role as having “*protected and developed the positioning of the UK business within the Finmeccanica group*”, acknowledging the strategic nature of the top-level duties performed once the importance of the UK business to the Finmeccanica group was taken into account.

4. Finmeccanica UK’s function is described by Mr. de Benedictis in the document entitled “*UK Defence Model*” (Alberto de Benedictis, Chief Executive, Finmeccanica UK, **Appendix 6**), which highlights its strategic role as a contact of the UK government, for which the Finmeccanica group – as stated by Mr. de Benedictis – was “*one of the country’s main suppliers and biggest exporters*” (Appendix 5). In essence Finmeccanica UK played a strategic marketing role, acting as a major contact for the UK Ministry of Defence. A curious detail: in reference to the explosions of violence around the world, the wars sweeping through Iran and Afghanistan, Mr. de Benedictis asked: [is it] “**Bad News?**” (**Appendix 6**, page 3).

5. There can be no serious doubt about Finmeccanica UK’s strategic role within the Finmeccanica group and the senior role played by Mr. De Benedictis, performed continuously under several managing directors [REDACTED] (**Appendices 7, 8 and 9**).

6. Mr. de Benedictis’s senior role as (a) CEO of Finmeccanica UK, heading up Finmeccanica’s UK business and (b) the key contact for the UK government, was widely recognised in the defence sector press **when he left the group in February 2015:**

- “*Finmeccanica UK boss Alberto de Benedictis has become the latest victim of a clear out of top executives by the Italian company’s Chief Executive Mauro Moretti ..... de Benedictis joined Finmeccanica’s office in New York in 1983 and since then has held a number of increasingly senior posts in Italy and the US **before taking over the company’s expanding British business***” (**Appendix 10**, 23 February 2015)
- “*...Alberto de Benedictis, **executive director of Finmeccanica**, has been dismissed after a 30-year career at the company, says the Sunday Times: “He led Finmeccanica’s privatisation and has been a close ally of former bosses Pier Francesco Guarguaglini and Giuseppe Orsi. An expert at pulling the right levers at Whitehall. **What is now feared is that without the presence of De Benedictis, the Finmeccanica influence among the English politicians and civil servants and the Ministry of Defence will end.**”* (**Appendix 11**, 10 May 2015);

7. precisely because of his senior role at Finmeccanica, Board Member de Benedictis, as “head of Finmeccanica in London” (**Appendix 12**), has been cited as someone with knowledge of the extremely sensitive (and opaque) questions with which the judiciary is concerned. For example, in the first-instance ruling by the Milan Court of Appeal that on 7 April 2016 sentenced former Managing Director Orsi to two years in prison (suspended), “*the DE BENEDECTIS testimony, introduced by the defence*” (apparently with little success) was cited, in which “*vague personal opinions ... with no documents attached in support of the arguments*” (**Appendix 13**) were recorded;

8. Mr. de Benedictis, as Chief Executive Officer of Finmeccanica UK, even represented the Finmeccanica group in 2006 for the UK activities he himself defined in “UK- Strategic Market Value” (Appendix 14) and in respect of investors, as shown in the “Investor Day Presentation”. It is interesting to note that on page 2 of this presentation, when he referred to Finmeccanica's activities in the UK as “*a British Business*” (and thus within his sphere of influence), in addition to helicopters (Augusta Westland) and military electronics (Selex), Mr. de Benedictis also mentioned signalling (**Ansaldo Signal, or the name that the UK subsidiary of Ansaldo STS had until 2008**);

9. The strategic value of Finmeccanica UK was also demonstrated in the choice of Mr. de Benedictis's successor [REDACTED], who (not coincidentally) had spent nine years as Finmeccanica UK's head of strategic marketing. When announcing the appointment, [REDACTED] stated that “*one of our transformation objectives is to have Finmeccanica represented in the UK by a senior executive who will provide our clients and other interested parties with knowledge and experience, with a single point of contact at the strategic level*” (Appendix 15), a role for which [REDACTED] had evidently been preferred;

10. As for the correctness of Mr. Marchetti's assertion with regard to criterion 3.C.1 of the Self-Governance Code for Listed Companies adopted by Ansaldo STS – **a criterion expressly recognised within Art. 5 of the Regulations of the Board of Directors of Ansaldo STS**<sup>1</sup> - what this shows is the notion of “control”, readily confirmed by a reading of Finmeccanica's financial statements (Appendix 16) and certainly not the “consolidation” to which Mr. de Benedictis refers in his letter;

11. Lastly, with regard to the claim in Mr. de Benedictis's letter regarding the principle of “*the prevalence of substance over form*”, it is sufficient to read all of the minutes of the meetings of the Board held since he joined it to fully appraise his “independence” (or lack thereof).

In conclusion, and borrowing the words used about him by the Milan Court of Appeal, the representations made by Board Member de Benedictis in his letter of 27 October 2016 (Appendix 2) constitute “*vague personal opinions ... with no documents attached in support of the arguments*” and easily disproved by the facts of the matter, as documented herein (Appendices 1-17) and as such they themselves constitute **new and definitive evidence**.

## II. Statements by Mr. de Benedictis to the Board of Directors (28 October 2016)

At the Board of Directors' meeting of 28 October 2016, in response to a specific question from me, Board Member de Benedictis, contradicting statements made at a previous Board meeting (11 July 2016), **admitted** that the legal assistance provided to him by Bruno Cova ([REDACTED])<sup>2</sup> to support his independence in respect of the Board, was part of a mandate conferred on the legal firm on 20 June 2016 directly by Ansaldo STS in the person of Andrew Barr, the former Chief Operating Officer of Hitachi Rail, in his capacity as Managing Director of the Company (Appendix 19).

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<sup>1</sup> “...a director does not usually seem to be independent ... (b) if he is, or has been in the previous three years, a key representative - meaning the Chairman of the Board of Directors, the Executive Directors, the General Manager and managers with strategic responsibilities - ... of a company under common control with Ansaldo STS ... ” (Ansaldo STS, Board of Directors' Regulations, Art. 5, Independent Directors, Appendix 17).

<sup>2</sup> Assistance was provided with the writing of a letter (Appendix 18), discussed under Item 1 of the agenda of the Board of Directors' meeting of 11 July 2016: “Assessments regarding the independence requirements stipulated in the Code of Self-Governance of Borsa Italiana S.p.A. for Director Alberto de Benedictis following the request for in-depth analysis by the Board of Statutory Auditors. Assessments regarding the declarations made to CONSOB by Director Bivona, by Amber Capital and by the Elliott Funds”.



In this regard, I would like to remind the Board of Statutory Auditors of **exactly** what Mr. de Benedictis said at the meeting of the Board of Directors of 11 July 2016 about the legal assistance provided to him by Bruno Cova ([REDACTED])

Bivona: *"I asked a question. I asked: who requested Mr. Cova's opinion, mentioned by Mr. de Benedictis?"*

de Benedictis: *"This is de Benedictis speaking. I asked Mr. Cova to help me to support the writing of my letter."*

Bivona: *"Ok, do you mean that it was a private and personal initiative on your part, or was it an initiative in some way shared with the Company and was it authorised by the Company, in which case – please – tell me by whom."*

de Benedictis: *"I took the initiative to go to Mr. Cova and ask for his support in writing the letter."*

Bivona: *"Ok. So you are confirming that it is not an initiative that involves the Company in any way. It is your own personal initiative. Obviously, you have the right to choose your personal legal advisors in any way you see [fit, ed.]. It will therefore be an opinion that is not in any way charged or found to be linked to the Company. Thank you".*

de Benedictis: No reply or comment, not even by Managing Director Barr (see below).

In light of what was then ascertained on 28 October 2016, not only do Board Member Benedictis's declarations appear to be **omissive and misleading (a circumstance that I expressly ask the Board of Statutory Auditors to verify and declare)**, but the conduct of Managing Director Andrew Barr also appears to be just as **omissive (and as such just as misleading)** as – although he personally signed the engagement of Studio [REDACTED] on 20 June 2016 (Appendix 19) – on 11 July he was careful not to intervene in the above discussion in the Board meeting to correct the statements made by Mr. de Benedictis and re-establish the truth of the matter.

**This conduct already denotes, on its own, a "common purpose" that goes against the corporate interest – which certainly does not involve concealment of the truth from the Board of Directors, even if by virtue of omissions –by the executive director appointed by Hitachi Rail (and the former Chief Operating Officer of Hitachi Rail) and by Board Member de Benedictis, which is enough on its own to discredit his "independence".**

In order to better appraise the above conduct, I would also like to remind the Board of Statutory Auditors that on 11 July 2016, during the discussion about Mr. Benedictis's independence (Item 1 on the agenda), minority Board Member Rosa Cipriotti formulated a request that the independent Board Members appointed by the minority shareholders (Bivona, Cipriotti and Labruna) could also make use of legal support so as to obtain a "second opinion"<sup>3</sup> in addition to the "one-way" opinion issued by Mr. Tombari (Appendix 21) at the Company's request (Appendix 22) aimed at corroborating the independence argument put forward by Board Member de Benedictis.

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<sup>3</sup> "Ms. Cipriotti [asked]... whether it was possible to have a second opinion issued by another independent professional, enabling the Board to obtain another point of view. She also asked for the independent professional to be chosen by the Board Members elected by the minority shareholders. She therefore asked permission to engage another professional for the benefit of the entire Board. On this point, Mr. de Benedictis took the floor and informed Ms. Cipriotti that he had sought the assistance of Mr. Cova, who is an expert in corporate governance, in drawing up his letter. Ms. Mingay (Hitachi-appointed executive director, ed.) then asked for an explanation of the reason why another opinion should be required, as it seemed pointless to her" (See the minutes to the meeting of the Board of Directors of 11 July 2016)

In response to Ms. Cipriotti's request for a “*second opinion*” (which would, in fact, have been the “third” opinion if it had been known that the Company had already engaged Studio [REDACTED], Board Member Katherine Mingay, an executive director appointed by Hitachi, immediately said that this would simply be a waste of time and money<sup>4</sup>: essentially, while the Board Members appointed by Hitachi rejected the suggestion of a “*second opinion*” made by the minority Board Members, the Company –**remaining silent and concealing it from the minority Board Members** – were paying a legal firm ([REDACTED]) to support Board Member de Benedictis to assert his “independence” to the very minority Board Members who had challenged his “independence”.

Leaving aside any possible breaches of the law and the Articles of Association (**which I am once again asking the Board of Statutory Auditors to verify and declare**) this conduct is ethically reprehensible and shows a discriminatory attitude to the independent Board Members appointed by the minority shareholders. It then emerged that the Company had sustained a cost of over €[REDACTED] (**Appendix 24**) to pay for the assistance provided by Studio [REDACTED] – this was clearly money well spent from the point of view of the executive directors appointed by Hitachi, who actually approved the expenditure – [REDACTED] (**Appendix 23**).

The omissive conduct of Managing Director Barr at the meeting of the Board of Directors of 11 July 2016 the continued at the next Board meeting, on 27 July 2016, which, under Item 10 on the agenda, provided for the disclosure<sup>5</sup> of the exercise of delegations in 2Q2016, with the communication to the Board Members of all “**consultancy positions of any type and amount**”.

Managing Director Barr, acting in breach of Art. 23.3 of the Articles of Association<sup>6</sup> with the obligation to report pursuant to the criteria established by the Board<sup>7</sup> and the Code of Self-Governance<sup>8</sup> of Borsa Italiana S.p.A. (**a circumstance that, on 8 August 2016 and 12 October 2016, I had already asked the Board of Statutory Auditors to verify**), neglected to report the mandate assigned to Studio [REDACTED] on 20 June 2016 and did not even admit its existence after my question during the discussion in the meeting: this circumstance is consistent with the (ill-concealed) objective of not revealing the misleading nature of the statements made (and omitted) at the meeting of the Board of Directors of 11 July 2016, when the engagement of Studio [REDACTED] had been represented as Mr. de Benedictis's initiative.

Despite the Managing Directors' duty to “report to the board about the activities carried out while exercising the mandates conferred upon them” (Code of Self-Governance of Borsa Italian S.p.A.) and responding “in a timely manner” (Ansaldo STS Articles of Association, 23.3), on 6 September 2016 – i.e. after a period of one month and more than eight requests – Filippo Corsi (the Company's General Legal Counsel) finally decided to inform the directors “on behalf of the Chairman” that **the Company had assigned the consultancy mandate to Studio [REDACTED] on 20 June 2016**.

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<sup>4</sup> Because it would represent “extra expense and time and effort” (comment not minuted)

<sup>5</sup> In compliance with the obligations stipulated by the Articles of Association, according to the criteria established by the Board with the resolution of 8 November 2006, subsequently supplemented and partially amended with the resolutions of 10 December 2009 and 26 July 2013

<sup>6</sup> “The delegated bodies shall report in **a timely manner** to the board of directors and the board of statutory auditors – or, if there are no delegated bodies, the directors shall report in a timely manner to the board of statutory auditors – on at least a quarterly basis and in any event at meetings of the board itself, on the activity carried out, general business performance and business outlook and transactions that are important in terms of profits, financial position and cash flows, or that are in any event important due to their size and characteristics, carried out by the Company and the subsidiaries; specifically, they shall report on transactions in which they have an interest, on their own behalf or on behalf of third parties. The report may be made at board meetings or in writing”. (Ansaldo STS, Articles of Association, Art. 23.3)

<sup>7</sup> With the resolution of 8 November 2016, subsequently supplemented and partially amended with the resolutions of 10 December 2009 and 26 July 2013

<sup>8</sup> “The delegated bodies **must report to the board** about the activities performed while exercising the mandates conferred upon them” (1.C.1 d of the Code of Self-Governance)

Recently – as reported – on 28 October 2016, following my objection to the inconsistency between what he stated in the Board meeting of 11 July 2016 and what came to light (after a great deal of effort) on 6 September 2016, Mr. de Benedictis **was obliged to admit** that the Company had engaged Studio [REDACTED]. Basically, pursuant to a decision by Managing Director Barr (appointed by Hitachi), the **Company** conferred a mandate **at its own expense** to provide legal assistance to Board Member de Benedictis (appointed by Hitachi) so that he could demonstrate **his own “independence” ... from the Company**: an oxymoron, even before the demonstration of (a) Mr. de Benedictis's lack of independence and (b) the conflict of interest on the part of Managing Director Barr (**as the Board of Statutory Auditors has been asked to verify**).

I do not believe that the Board of Statutory Auditors can ignore this **new and definitive evidence** of a lack of “independence” as duly documented (**Appendices 18-19, also see my previous letters to the Board of Statutory Auditors of 7 June, 5 August, 8 August, 10 August, 4 October and 12 October 2016 and the minutes of the meetings of the Board of Directors of Ansaldo STS of 11 July, 27 July and 28 October 2016**).

### **III. Additional considerations**

For the sake of completeness, I would like to remind you of some of the other circumstances to be added to the information of which you, the Board of Statutory Auditors, are already aware:

1. at the BoD meeting of 16 May 2016, possession of the “independence” requirements by Mr. de Benedictis was approved, with only the directors appointed by Hitachi voting in favour and all of the directors appointed by the minority shareholders voting against (the same directors appointed by the minority shareholders had unanimously approved the “independence” requirements of Board Member Katherine Painter, also appointed by Hitachi);
2. at the BoD meeting of 16 May 2016, Mr. de Benedictis was appointed Chairman of the Risk Committee, with the functions of the Related Party Committee, as designated by Alistair Dormer, Managing Director of Hitachi Rail, in his other capacity as Chairman of Ansaldo STS, with only the directors appointed by Hitachi voting in favour and all the directors appointed by the minority shareholders voting against;
3. at the BoD meeting of 28 October 2016, Mr. de Benedictis was appointed Vice-Chairman of the Company as designated by Alistair Dormer, Managing Director of Hitachi Rail, in his other capacity as Chairman of Ansaldo STS, with only the directors appointed by Hitachi voting in favour and all the directors appointed by the minority shareholders voting against;
4. the assignment of the position of Vice-Chairman (see above) was to substitute the role fulfilled by executive director Katherine Mingay (who nevertheless remained on the Board), a non-independent director appointed by Hitachi, from which we can conclude that there is an implicit “equivalence” from Hitachi’s point of view.

In light of the considerations set forth in sections I and II, the concentration of powers (Vice-Chairman, member of the Nomination and Remuneration Committee and Chairman of the Related Party Committee) assigned to Mr. de

Benedictis on the recommendation of Alistair Dormer, Managing Director of Hitachi Rail, in his other capacity as Chairman of the Company, can be regarded in themselves as potentially demonstrating a lack of “independence”.

#### IV. Conclusions

The Board of Statutory Auditors challenged the verification by the Board of Directors of the independence requirements of Mr. de Benedictis at the BoD meeting of 15 June and 24 July 2016, sharing with the directors the minutes of the meeting of the Board of Statutory Auditors of 20 July 2016, containing the aforementioned opinion of Mr. Marchetti, validating therewith my own objections as of the first BoD meeting of 16 May 2016 and my successive communications to the Board of Statutory Auditors from 7 June 2016 onwards. I believe that this communication has provided the Board with **further definitive** confirmation due to the **new elements** obtained on 27/28 October (Sections I, II and III), **whose correctness I am asking the Board of Statutory Auditors to assess.**

I wish there to be no ambiguity about the need to **resolve, without further delay**, the matter of the “independence” of Board Member de Benedictis in order to ensure/restore the regular performance of corporate business according to the provisions of the law and the Articles of Association. Recognition of the lack of independence would imply the following, *inter alia*:

- a breach of Art. 4 of the Board of Directors’ Regulations, which stipulate that “*the Control and Risk Committee shall be composed of a number of Directors not less than three and not more than half the number of members of the Board of Directors. All the Committee members shall be non-executive and independent*” and that “*the Nomination and Remuneration Committee shall be composed of a number of Directors set by the Board of Directors at the time of appointment, all non-executive and independent*”;
- a breach of Art. 4 of CONSOB Regulation 17221 of 12 March 2010 (as subsequently amended), according to which “*boards of directors shall adopt... procedures that ensure the transparency and substantive and procedural correctness of related party transactions*”, given that Mr. de Benedictis, making use of the "independence" qualification, is part of the Control and Risk Committee, which performs the function of the Related Party Committee, in the role of Chairman;
- all of the resolutions adopted by the current Nomination and Remuneration Committee (which is composed of three members, including Mr. de Benedictis) may prove to be illegitimate, as they were made by committees that had not been regularly constituted;
- it would confirm of the conflict of interest of those directors having benefited, on their own behalf or on behalf of third parties, from the (non-)challenge to the independence requirement of Mr. de Benedictis, qualified as such, given that, as is constantly reiterated in case law, “*a well-founded suspicion that directors have carried out competing activities and actions in conflict of interest is a sign of serious irregularities and justifies the adoption of measures pursuant to Art. 2409 of the Italian Civil Code*” (T. Firenze, 24 June 1993);

**The seriousness of these matters was exacerbated by the resolution of 28 October 2016 (Appendix 20), with which the Board of Directors – with only the directors appointed by Hitachi voting in favour, and all the directors appointed by the minority shareholders voting against – in effect “emptied” the Board of its functions in**

commercial policy, attributing the power to adopt resolutions relating to the submission of offers, the signing of supply contracts and the granting of the relative guarantees and counter-guarantees, up to a value of €350,000,000 for each transaction (i.e. all but one of the offers submitted in 2016) to a new committee (the “Bid Committee”), which comprises three executive directors appointed by Hitachi (Mr. Dormer, CEO of Hitachi Rail, Mr. Barr, the former COO of Hitachi Rail, and Ms. Mingay, a consultant to Hitachi).

This means that, as of now, all transactions with a value of up to three hundred and fifty million euro (i.e. nearly all of them) concerning related parties (Hitachi Rail) will be exclusively resolved upon by (a) the executive directors appointed by Hitachi and (b) the Related Party Committee comprising so-called “independent” Board Members appointed by Hitachi, under the chairmanship of Vice-Chairman de Benedictis.

As the Board of Statutory Auditors is well aware, since the current Board of Directors took office, the management of the Company has been characterised by “anomalies” (to which I have promptly objected) that in themselves foreshadowed a well-founded suspicion of potential irregularities, such as:

- the absence of the “independence requirements” of the Chairman of the Related Party Committee
- irregular constitution of the committees (due to the above)
- a breach of the obligation to act with the diligence required by the nature of the office and in an informed way to resolve upon the appointment of the new Managing Director
- a breach of the Related Party Procedure in respect of the project for €[REDACTED]
- failure to fulfil information requests from Board Members
- omission of information for Board Members on relations between the Company and the Hitachi group
- untruthful, omissive and misleading statements to the directors on the Board of Directors
- delays and deficiencies in the minutes of the work of the Board of Directors
- decisions taken by the Managing Director in conflict of interest and in breach of the provisions of Art. 2391 of the Italian Civil Code
- a breach by the Managing Director of the disclosure obligations set forth in the Articles of Association (Art. 23.3)
- failure to provide timely information to the Board Members and the market of the resignation of the Manager Responsible for Company Accounting Documents pursuant to Art. 154-*bis* of Legislative Decree 58/98
- the signing of transactional agreements with a value of €[REDACTED] for the termination of the employment relationship between a manager reporting directly to the Managing Director and the interested party, without the Board of Directors' knowledge (I will be analysing this point in more detail in the next few days)
- a request to replace the current independent auditors of Ansaldo STS (KPMG) with the independent auditor of the Hitachi group (EY) from mid-December 2016 i.e. just a few days from the end of the financial year
- systematic governance decisions that, in substantive terms, have progressively stripped the Board of Directors of its powers (recently with the creation of the “Bid Committee”) and particularly the power of the independent Board Members.

Even more than the seriousness of these matters taken individually, what seems truly alarming is their combined effect, symptomatic of a deep-rooted irregularity in management, which is fully concentrated in the hands of the directors appointed by Hitachi Rail (51% of the share capital), i.e. the Chairman of the Board of

**Directors, the Vice-Chairman, the entire Nomination and Remuneration Committee, the Risk Committee (with the functions of the Related Party Committee) and the recently invented “Bid Committee”.**

**From this observation, a second arises, i.e. that the above irregularities, where actually verified, can only be exclusively to the detriment of the minority shareholders (49% of the share capital) and exclusively beneficial to the majority shareholder, Hitachi (51% of the share capital).**

In my capacity as a Member of the Board of Directors of Ansaldo STS – as a reminder, I was elected, as the first person on List 2 submitted by shareholder Elliott to the shareholders' meeting of 13 May 2016, with 59.3 million votes, 32% of which were cast by third-party shareholders, equal to 99.3% of the votes present at the meeting aside from the two main shareholders (Hitachi and Elliott) – I have alerted the Board of Statutory Auditors with precision, and documentary evidence by means of 16 petitions (**Appendices 25-40**, which form an integral part of this letter and have been included for reference purposes) along with 71 appendices (not including this communication). The Board of Statutory Auditors has never challenged the correctness, the relevance or the accuracy of the documentary evidence produced.

I appreciate the recognition (**although to date this has been very limited and partial**) of what has already been confirmed and the objections made by the Board of Statutory Auditors, as shown in the minutes of the Board of Statutory Auditors' meetings of 21 July 2016 (**Appendix 3**) and 20 September 2016 (**Appendix 41**). Furthermore, given the inertia shown by the directors in accepting the findings of the Board of Statutory Auditors, and apart from official reprimands (both weak and ineffective) which have been promptly ignored by the Company, the law confers upon the Board of Statutory Auditors specific powers to intervene in order to verify and rectify irregularities for which the documentary evidence goes well beyond a “well-founded suspicion”.

I therefore request that Chairman Sarubbi convene a meeting of the Board of Statutory Auditors as soon as possible, to assess the exercise of the right/duty to act in the interest of shareholders by adopting the provisions of Art. 2409 of the Italian Civil Code, according to which “*if there is a well-founded suspicion that the directors, in breach of their duties, have carried out serious irregularities of management that may cause harm to the company or one or more subsidiaries*” the Board of Statutory Auditors “*may report the matter to the court and notify the company of its complaint*”.

Specifically, I expressly request that Auditors Spinardi and Righetti provide adequate support to Chairman Sarubbi (which has certainly been the case until now) by performing a galvanising and proactive role in support of the activity of the Board of Statutory Auditors, whose workload was also noted and commended during the last Board of Directors' meeting of 28 October 2016 (and for this I would like to thank Chairman Sarubbi personally).

Also in light of the results at 30 September 2016, announced on 28 October 2016, I cannot conceal my serious concern about the negative effects of the circumstances of the Company's management that have come to light, and I would like to take this opportunity to push for the verifications that I requested from the Board of Statutory Auditors in my communication of 12 October 2016 (Appendix 39).

Trusting that the Board of Statutory Auditors will take swift action, making use of all the powers at its disposal to ensure, for matters within its remit, that the corporate business of Ansaldo STS takes place in compliance with the provisions of law and the Articles of Association, and fully aware of the responsibility that each of us, including the

undersigned, has in respect of omissive or purposeful behaviour, I remain at your disposal for any clarification or request for information.

Yours sincerely,

[signed]

Giuseppe Bivona

Member of the Board of Directors, Ansaldo STS

### List of appendices

- Appendix 1 – Filippo Corsi response to Rosa Cipriotti (23 September 2016) \*
- Appendix 2 – Letter from Mr. de Benedictis (27 October 2016) \*
- Appendix 3 – Minutes of Board of Statutory Auditors' meeting (21 July 2016) \*
- Appendix 4 – Finmeccanica – Internationalisation Strategy
- Appendix 5 – CV of Mr. de Benedictis submitted for the Shareholders' Meeting (16 April 2016)
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- Appendix 7 – Organisational structure of the Finmeccanica group
- Appendix 8 – Organisational chart for Finmeccanica Gestione [REDACTED]
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- Appendix 10 – *Defence News* (23 February 2015)
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- Appendix 16 – Abstract from Finmeccanica's financial statements for 2013, 2014 and 2015
- Appendix 17 – Ansaldo STS Board of Directors' Regulations \*
- Appendix 18 – Letter from Alberto de Benedictis (20 June 2016) \*
- Appendix 19 – Mandate of Ansaldo STS to Studio [REDACTED] (20 June 2016)\*
- Appendix 20 – Resolution to create the Bid Committee (28 October 2016) \*
- Appendix 21– Item 1 on the agenda of the BoD meeting (11 July 2016) \*
- Appendix 22 – Opinion of Mr. Tombari (6 July 2016) \*
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- Appendix 24 – Communication of Filippo Corsi and Fattur[illegible] [REDACTED] 6 September 2016)\*
- Appendix 25 – Letter from G. Bivona (7 June 2016) plus 25 appendices \*
- Appendix 26 – Letter from G. Bivona (9 June 2016)

- Appendix 27 – Letter from G. Bivona (14 June 2016) plus 6 appendices \*
- Appendix 28 – Letter from G. Bivona (29 June 2016) plus 13 appendices \*
- Appendix 29 – Letter from G. Bivona (17 July 2016) plus 3 appendices \*
- Appendix 30 – Letter from G. Bivona (2 August 2016) plus 2 appendices \*
- Appendix 31 – Letter from G. Bivona (3 August 2016) plus 2 appendices \*
- Appendix 32 – Letter from G. Bivona (4 August 2016) \*
- Appendix 33 – Letter from G. Bivona (5 August 2016) plus 3 appendices \*
- Appendix 34 – Letter from G. Bivona (8 August 2016) plus 3 appendices \*
- Appendix 35 – Letter from G. Bivona (10 August 2016) plus 5 appendices \*
- Appendix 36 – Letter from G. Bivona (2 September 2016) plus 5 appendices \*
- Appendix 37 – Letter from G. Bivona to Consob (4 October 2016) plus 2 appendices \*
- Appendix 38 – Letter from G. Bivona (9 October 2016) \*
- Appendix 39 – Letter from G. Bivona (12 October 2016) plus 2 appendices \*
- Appendix 40 – Letter from G. Bivona (15 October 2016) \*
- Appendix 41 – Minutes of Board of Statutory Auditors’ meeting (20 September 2016) \*

\* Documents available to the Board of Statutory Auditors incorporated for reference purposes



*For the attention of:*

Giacinto Sarubbi

Enrica Spinardi

Renato Righetti

**Board of Statutory Auditors of Ansaldo STS**

Nicoletta Garaventa

**Chairman of the Supervisory Committee of Ansaldo STS**

Giacomo Galli, Managing Director, Protiviti S.r.l.

**Head of the Internal Audit Department of Ansaldo STS**

*Copy for information to:*

**Italian National Stock Exchange Supervisory Commission – CONSOB**

Via email: [consob@pec.consob.it](mailto:consob@pec.consob.it)

Corporate Governance Division

**CONSOB**

Via email: [dcg@pec.consob.it](mailto:dcg@pec.consob.it)

AND

Public Prosecutor's Office

11 November 2016

Dear Sir/Madam:

**RE: Meeting of the Board of Directors of Ansaldo STS of 28 October 2016**

I would first like to call your attention (as limited to your respective areas of responsibility) to events that occurred at the meeting of the Board of Directors of 28 October 2016, which I believe merit close scrutiny in order to determine whether the directors of Ansaldo STS (the “**Company**”) have complied with the law, the Articles of Association and the principles of sound management.

- I. **Delayed disclosure to the market of the agreement signed by Chief Financial Officer Roberto Carassai and the Company on 19 October 2016**

I would like to bring the following to your attention:

1. In the afternoon of 28 October 2016, during the meeting of the Board of Directors that began at 8:30 AM, I asked Mr Carassai (Chief Financial Officer and **Manager Responsible for Company Accounting Documents**) what his current situation was in relation to the company and whether there were any circumstances of which the Board of Directors should have been informed: Chairman Dormer took the floor, stating that Mr Carassai had decided to leave the Company (**Appendix 1**);
2. Until I asked, and thus for many hours from the beginning of the proceedings of the Board of Directors at 8:30 a.m., the executive directors Dormer (Chairman), Barr (Managing Director) and Mingay said nothing to the Board about the decision by the **Manager Responsible for Company Accounting Documents** to leave the Company. The Board of Statutory Auditors also had not been informed of this decision;
3. Mr Carassai had already participated in the proceedings of the Board of Directors during the morning in regard to “*Item 6 Interim report on operations of the Ansaldo STS Group as at 30 September 2016*” when the directors were asked to approve the results for the third quarter without disclosing that the **Manager Responsible for Company Accounting Documents** (and thus the person responsible for preparing the accounting document **to be approved**) had decided to leave the Company – information that was certainly relevant to formulating an informed opinion;
4. Chairman Dormer “justified” himself by stating that he intended to inform the Board of Directors as part of the final order of business on the agenda, “*Item 15. Any other business*” (Appendix 3);
5. During the subsequent discussion by the Board, it was learned that Mr Carassai and the Company, through its head of human resources [REDACTED], the latter acting under a special power of attorney granted by Managing Director Barr, had signed an agreement on 19 October 2016 governing the conditions of Mr Carassai’s departure from the Company (**Appendix 2**). Since drafting the agreement presumably took time, the decision (which evidently had already been taken when the agreement was drafted) was made prior to 19 October 2016, but neither [REDACTED] nor Mr Carassai wished to specify the exact day on which the Company and the interested party agreed on the termination of his employment, as consummated in the private agreement signed on 19 October 2016 (Appendix 1);
6. The only directors who participated in the discussion to object to the untimely disclosure of the agreement between the Company and Mr Carassai of 19 October 2016 were the independent directors appointed by the minority shareholders (Messrs Bivona, Cipriotti and Labruna). The so-called “independent” directors appointed by Hitachi (Messrs de Benedictis, Garraffo and Painter) did not raise any objections. Hitachi’s executive directors (Messrs Dormer, Barr and Mingay) did not consider there to be any management irregularities;

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<sup>1</sup> The abstract of the transcription (BoD of 28 October 2016) provided in Appendix 1 was drafted by Director Cipriotti, who on 2 November 2016 travelled to the Company’s office (in Genoa) to listen to the recording of the meeting of the Board of Directors of 28 October 2016. The transcription is not intended as a verbatim record of what was said, but was represented to me as an essentially accurate account of what was discussed at the meeting of the Board of Directors. Remarks in English were transcribed by Director Cipriotti after being translated into Italian.

7. Since there can be no doubt that inside information, namely the signing on 19 October 2016 of an agreement concerning the decision of the **Manager Responsible for Company Accounting Documents** to leave the Company, had not been disclosed to the directors, statutory auditors and the public in a timely manner, I asked Managing Director Barr (Appendix 1, p. 2) whether the Company intended to disclose the information to the public in the press release that was to be issued after the meeting of the Board of Directors;
8. The Managing Director replied that he did not intend to break the news in the press release since “*Mr Carassai will remain with the Company for some time next year and it is currently envisaged that he will sign the 2016 financial statements and the budget for next year. Accordingly, at this time the advice we have been given is that there is no need to disclose it to the market until we have a definitive vision of a date and successor*” (Appendix 1, p. 2 [back-translation]);
9. Filippo Corsi (the Company's Chief Legal Counsel) then took the floor, stating “*I have not seen the letter but I understand that [his resignation] will only enter into effect after the 2016 financial statements are signed. On the basis of this information, it was deemed possible to fulfil any market disclosure requirements not immediately but after sharing the information with the Board of Directors. We have determined that there is currently no obligation to disclose a resignation that has been signed but has not yet entered into effect” (Appendix 1, p. 2);*

Mr Corsi further stated that before disclosing the information to the market “*we need to try again to reach an agreement with Carassai to sign the financial statements and if he says ‘yes’ we will inform the market that he will leave the company immediately afterwards, while if he says ‘no’ we need to check whether we can approve the financial statements before 28 February and inform the market that this is the case and that Carassai will leave with effect from 28 February*” (Appendix 1, p. 10);

10. From the contract between Mr Carassai and the Company – obtained by the Board at considerable effort, only after repeated requests (Appendix 1) by only the directors appointed by the minority shareholders (Messrs Bivona, Cipriotti and Labruna) – we have learned that (i) Mr Carassai had not entered into any undertaking to remain with Ansaldo STS until the signing of the 2016 financial statements; (ii) Mr Carassai and the Company had agreed on “*a final day of service of 28 February 2017,*” i.e. approximately one month before the date of approval of the 2016 financial statements, for which the date of 21 March 2017 had been proposed in the documentation circulated before the meeting of the Board of Directors in question (Item 14 on the agenda, “*Approval of the calendar of company events in 2017 and scheduling of meetings of the Board of Directors,*” **Appendices 3 and 4**); (iii) the parties had agreed that the end date of 28 February 2017 was to be regarded as “*essential and not subject to extension for any reason of a legal and/or contractual nature*” (Appendix 2, p.2);
  11. the proposals included in the agenda for the meeting of the Board of Directors of 28 October 2016 – including the proposal to approve the 2016 financial statements on 21 March 2017 under Item 14 (Appendix 4) – had been sent to the directors on 24 October 2016 (**Appendix 5**), i.e. **after** 19 October 2016, the date on which the private agreement was signed between the Company and Mr Carassai setting 28 February 2017 as his final day of service, a date regarded as “*essential and not subject to extension.*” Two considerations follow directly from this observation:
-

– in contrast with the statements made by Managing Director Barr (Paragraph 8), the contract did not contain any provision to the effect that Mr Carassai was to remain with the company until the approval of the 2016 financial statements (which, moreover, was scheduled for 21 March 2017);

– Chairman Dormer does not seem very credible when he claims that – if the subject of Mr Carassai’s resignation had not come to light as a result of my specific question – he would have informed the Board himself under item “15. *Any other business,*” considering that if this had been his intention, it would have been logical for the executive directors (after consulting with the independent auditors) to propose a date for the approval of the 2016 financial statements before 28 February 2017, a possibility that in reality was only discussed by the Board as a consequence of the discovery (as a result of my question) of the agreement between the Company and the **Manager Responsible for Company Accounting Documents**.

In other words, if the executive directors (and in particular Chairman Dormer, who is responsible for the preparation of the agenda for the Board of Directors) had truly planned to inform the directors under Item 15 (“*Any other business*”) that the Manager Responsible for Company Accounting Documents had decided to leave the company, **then** under Item 14 (“*Approval of the calendar of company events*”) they ought to have proposed a date for the approval of the 2016 financial statements (after having verified the feasibility of the date with the internal bodies and independent auditors) prior to 28 February 2017, the final day of service of the Manager Responsible for Company Accounting Documents, which date was regarded as “*essential and not subject to extension*”: the discussion within the Board of Directors clearly showed (embarrassingly, if I may add) that this possibility had not even been evaluated and considered.

12. For precisely the reasons indicated above, in order to verify whether the statements by Managing Director Barr (Paragraph 8) and Mr Filippo Corsi (Paragraph 9) are true, I expressly asked Mr Barr (Appendix 1, p. 10) to consult Mr Carassai, who was present in the place where the meeting was being held, in order to ascertain whether the latter was willing to remain with the Company until the date of approval of the 2016 financial statements, as proposed in the documents forwarded to the Board (i.e., 21 March 2017). After a conversation that lasted several minutes (perhaps three or four, certainly fewer than five), Director Barr – who evidently had not yet gone to the trouble of verifying this simple matter – returned to the Board of Directors and related that Mr Carassai had refused.

Finally, I would also like to note that:

13. In accordance with the Market Abuse Regulation (“**MAR**”), the “*Procedure for the Management and Disclosure of Inside and Confidential Information*” adopted by the Company (**Appendix 6**) requires, under Art. 3.2.2 (*Disclosure to the public of Inside Information*) that “*the Company shall disclose to the public Inside Information as soon as possible, according to methods that permit rapid access thereto and complete, correct and **timely** evaluation thereof by the public*”<sup>3</sup>;

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<sup>3</sup> Pursuant to Art. 17 (4) (3) of the MAR, the Company may, on its own responsibility, delay the disclosure to the public of Inside Information, provided that three conditions have been met (1. immediate disclosure is likely to prejudice the legitimate interests of the Company; 2. delay of disclosure is not likely to mislead the public; and 3. the Company is able to ensure the confidentiality of that information). **The mere fact that I asked the question is reasonably sufficient to conclude that the Company was not able to ensure the confidentiality of the information. It is not reasonable to doubt that the news of the resignation of the Manager Responsible for Company Accounting Documents – not disclosed to the market in a timely manner, at least on 19 October 2016 – would affect the public’s assessments ten days from the announcement of the results for the period ended 30 September 2016, scheduled for 28 October 2016.**

14. Inside Information, as expressly specified in the Regulation, includes the “*resignation or appointment of members of governing and control bodies, executives with strategic responsibilities or other key managers of the Company*” (Appendix 6, p. 14);
15. Mr Carassai is a senior executive who reports directly to Managing Director Barr, fills the position of Chief Financial Officer and is the **Manager Responsible for Company Accounting Documents** – including the report as at 30 September 2016 approved on 28 October 2016 (Appendix 7) – a role assigned to him directly by the Company’s Board of Directors on 24 May 2016 (**Appendix 8**), after a mandatory opinion had been obtained from the Board of Statutory Auditors, in accordance with Art. 23.2 of the Company’s Articles of Association;
16. Despite the statements made by Managing Director Barr (Paragraph 8) and Head of the Legal Office Corsi (Paragraph 9) that they did not believe they needed to disclose the information to the market, after “better counsel,” at 21:45 hours on 28 October 2016, when the market was closed, the Company issued a press release in which it is stated that “*on 19 October 2016 Mr Roberto Carassai signed an agreement for the consensual termination of his employment with the Company, since it was his intention to embark on a new phase of his career elsewhere. Accordingly, with effect from 28 February 2017, Mr Roberto Carassai will cease to act as CFO and Manager Responsible for Company Accounting Documents*” (**Appendix 9**);
17. In an exchange of e-mails of 7-8 November 2016 with the director Mr Cipriotti, Mr Carassai stated that “*the Company circulated the news of the termination of its relationship with the CFO **without delay** immediately after the meeting of the BoD of 28 October 2016, in accordance with applicable legislation*” (**Appendix 10**). Albeit in the context of a highly idiosyncratic application of the theory of special relativity, Mr Corsi *de facto* acknowledged that the resignation of the Manager Responsible for Company Accounting Documents constituted Inside Information and, as such, was to be disclosed to the market in accordance with the law (although he then went on to claim that the information had been circulated “*without delay*” and “*in accordance with applicable legislation*” according to a highly idiosyncratic application of the distortion of the curvature of space (“*applicable legislation*”) / time (“*without delay*”) that could open up new frontiers in quantum physics);

**IN CONSIDERATION OF THE ABOVE, I ASK YOU DETERMINE THE FOLLOWING, EACH WITHIN YOUR RESPECTIVE PURVIEW:**

- A) Whether the Company breached its obligation to disclose to the public “***as soon as possible***” and “*according to methods that permit rapid access thereto and complete, correct and **timely** assessment thereof by the public*” as required by the “*Procedure for the Management and Disclosure of Inside and Confidential Information*” by disclosing to the public, **at 21:45 hours on 28 October 2016**, the decision of the **Manager Responsible for Company Accounting Documents Mr Carassai** to leave the Company on the basis of an agreement that had been signed on **19 October 2016**;
- B) Whether the same breach set out in point A above was committed by the Company, not only when it **delayed** the disclosure of the news of the resignation of the **Manager Responsible for Company Accounting Documents from 19 October until 28 October 2016**, but also when on 28 October 2016 it delayed the time of the publication of the press release containing the news of the CFO's resignation until 21:45 hours, when the market was closed

(Appendix 9), after the publication of the press release in which the Company had announced the results of its financial report as at 30 September 2016, which had occurred at 16:45 hours when the market was open (Appendix 11);

- C) Whether the delayed (and selective) disclosure to the directors constituted a **breach of the duty to due diligence** by those who effectively decided not to inform the directors and **prejudiced the directors' right/duty to act in an informed manner**, given that, before requesting the approval of the quarterly report, the executive directors appointed by Hitachi did not inform the directors that the financial report had been drafted by the **Manager Responsible for Company Accounting Documents** who had already agreed to leave the Company.

## II. Regularity of the private agreement between the Company and Mr Carassai (19 October 2016)

I would like to bring the following to your attention:

18. During the meeting of the Board of Directors of 28 October 2016, it was represented to the directors that Mr Carassai's decision to leave the company had been reached at his own initiative. The Chairman stated that Mr Carassai "had decided to leave the company" (Appendix 1, p. 1) and also that "Mr Carassai expressed an intention to leave" (Appendix [sic], p. 8, [back-translation]). Managing Director Barr stated that Mr Carassai "informed" the Company (Appendix [sic], p. 3, [back-translation]) that he wished to leave the Company. In response to a specific question from me ("Was it the Chief Financial Officer who left or the Company that decided [Ed. to dismiss him]?" Appendix 1, p. 7), the Human Resources Manager [REDACTED], responded that Mr Carassai "asked to leave the company [and] expressed a desire to pursue other career options" (Appendix 1, p. 7), as also represented in the press release, in which it is stated that it was "his intention to embark on a new phase of his career" (Appendix 9);
19. An examination of the agreement between Mr Carassai and the Company (Appendix 2) shows that in return for the termination of his employment, the Company had agreed to pay Mr Carassai the sum of [REDACTED] (Appendix 2, p.2) [REDACTED] (Appendix 2, p.3) [REDACTED] (Appendix 2, p.4) [REDACTED];
20. The Human Resources Manager [REDACTED] had also stated that Mr Carassai "had asked to leave the company" [Ed. but] admitted that "we moved from resignation to negotiation to consensual departure" (Appendix 1, p.8). In other words, as such, his departure had been desired not only by Mr Carassai himself but also by the Company, and thus was "consensual", meaning that it occurred with the consent of both parties. He further clarified that "it is no longer voluntary resignation, but has become a sort of consensual termination of employment that is in the company's interest" (Appendix 1, p. 9);
21. [OMITTED]
22. The following explanations were provided at the meeting of the Board of Directors for the inconsistency between (i) the reasons cited for the departure from the Company of the **Manager Responsible for Company Accounting Documents** (Paragraph 17) and (i) [sic] the economic terms agreed with the Company (points 18 and 20) – as objected by the independent directors appointed by the minority shareholders (Messrs Bivona, Cipriotti and Labruna):

– [OMITTED] (Appendix 1, p. 9, [back-translation]): **yet** the statements by [REDACTED] and Managing Director Barr were entirely vague and completely uncircumstantiated. Accordingly, **I ask you to order the Company immediately to clarify them and conduct all necessary inquiries** (Appendix 12);

– The Human Resources Manager [REDACTED] stated that in return for reaching an agreement, Mr Carassai “was going to sign the financial statements and the impairment test, something that he wants to do, and so we decided to treat his departure as if it was a consensual termination” (Appendix 1, p. 8). This representation was reiterated by Managing Director Barr, who said “I wanted Mr Carassai to remain to sign the [Ed. 2016] financial statements”: **yet** there is no trace in the private agreement of any undertaking by the **Manager Responsible for Company Accounting Documents** to sign the 2016 financial statements or the impairment test (**a subject that in the case of the 2015 financial statements had drawn the attention of the Public Prosecutor’s Office**);

– Chairman Dormer commented on the agreement, claiming that the goal was “to extend his stay for as long as possible, to provide the Company the time needed ... to find a replacement” (Appendix 1, p. 5): **yet** the agreement signed on 19 October 2016 indicated 28 February 2017 as his final day of service, equivalent to advance notice of just over four months, in keeping with the notice that the employee would nonetheless have been required to give;

23. During the conference call of 31 October 2016 to present the results of the first nine months of 2016 (**Appendix 18**), an analyst asked Managing Director Barr the following question: “... I don’t know if due to the recent announcement of top manager leaving the company there are further cost which should be added” [sic]. Managing Director Barr responded “The answer is really no. We don’t expect any other cost to be incurred.” However, during the meeting of the Board of Directors, it had come to light that the Company would have to pay approximately € [REDACTED] for Mr Carassai’s severance and a further € [REDACTED] for a second agreement reached with another employee, [REDACTED] (Appendix 1, p. 10), for an undoubtedly significant total [REDACTED].

Finally, I would like to observe that:

24. Art. 3 (“Activities of the Board of Directors”) of the Regulations governing the Board of Directors of Ansaldo STS states that the Board of Directors has exclusive responsibility for “hiring, promoting and **dismissing executives reporting directly** to the Chairman of the Board of Directors, **the Managing Director or the General Manager**” (**Appendix 13**). Mr Carassai reports to the Managing Director;

25. In apparent conflict with the statement by Mr Corsi that there allegedly was “inconsistency between the Regulations governing the Board of Directors and the powers effectively granted to the Chief Executive Officer” (Appendix 1, p.5), the powers granted to the Chief Executive Officer include the powers “10. To hire, suspend and dismiss executive and non-executive personnel, save as provided for under point 13 of the Powers of the Board of Directors” (**Appendix 14**), i.e. they are entirely consistent with the provisions of the Articles of Association (Paragraph 24);

26. Sums paid by way of voluntary redundancy incentives are treated, from a tax standpoint, as termination indemnity (Art. 19 (2) of the Italian Consolidated Income Tax Act, known as the TUIR). Consequently, they are subject to the separate taxation mechanism. If the severance package paid by the Company to the employee were to be

deliberately mischaracterised as a voluntary redundancy incentive, despite there being other reasons at the level of the parties' true intentions, this would constitute a serious tax offence;

**IN CONSIDERATION OF THE ABOVE, I ASK YOU DETERMINE THE FOLLOWING, EACH WITHIN YOUR RESPECTIVE PURVIEW:**

- D) Whether the termination of employment occurred at the behest of the Manager Responsible for Company Accounting Documents, Mr Carassai, or at the behest of the Company, and thus whether there was any inconsistency between (i) the representations made to the directors regarding the reasons for Mr Carassai's departure from the Company and (ii) the consideration that the Company agreed to pay;
- E) Whether there has been a breach of Art. 3 (13) of the Regulations governing the Board of Directors of Ansaldo STS and a corresponding abuse of power by the Managing Director in violation of the powers granted by the resolution passed by the Board of Directors on 24 May 2016, **if it is found** that termination of employment and the private agreement were at the Company's sole behest (i.e., dismissal) or partial behest (i.e., a consensual decision or an expression of both parties' will);

*or (no third possibility is given)*

Whether possible tax irregularities were committed by paying a component of severance pay "*by way of voluntary redundancy incentive,*" **where it is established** that Mr Carassai decided of his own accord to leave the Company, in which case it must also be determined what was the true consideration and the true advantage for the Company (or for those who acted in the Company's name and on its behalf) in paying a sum of money deliberately mischaracterised as a "*voluntary redundancy incentive*";

- F) Whether the statements made to the public by Managing Director Barr during the conference call with analysis of 31 October 2016 were accurate and truthful.

**I hope that no one fails to realise the importance of understanding exactly in what capacity [REDACTED] were given to the Manager Responsible for Company Accounting Documents, whom the Managing Director agreed to pay approximately [REDACTED] without even demanding that he sign the 2016 financial statements, while stating that it was the employee who expressed a desire to leave the company.**

**III.**

I would like to relate the following:

27. [OMITTED]

28. [OMITTED] (Appendix 16);

[TWO PAGES OMITTED]



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[OMITTED]

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I am fully aware that I have made several requests (particularly to the Board of Statutory Auditors) to solicit an investigation of potential irregularities. However, my requests are merely a consequence of the events from which they derive, in a 1:1 ratio in terms of intensity and frequency.

Since the current Board of Directors took office, the management of the Company has been characterised by events and circumstances – which I have regularly reported to the Board of Statutory Auditors in 17 memoranda (**Appendices 19-35**), which are an integral part of this letter and should be understood as referenced herein, along with their 112 Appendices – already sufficient to support **justified suspicion** of potential (serious) irregularities, including those reported in this document, such as:

- a) the failure to satisfy independence requirements by the Chairman of the Related Party Committee (**Appendices 19, 20, 25 and 35**);
- b) the irregular formation of the committees as a result of the above (**Appendices 19, 20, 25 and 35**), including the Related Party Committee;
- c) breach of the duty to due diligence imposed by the nature of the office and to act in an informed manner when passing resolutions appointing a new Managing Director (**Appendices 19 and 25**);
- d) breach of the related party procedure adopted by Ansaldo STS pursuant to Art. 4 of Consob Regulation 17221 of 12 March 2010 (**Appendices 28 and 33**);
- e) failure to satisfy requests for information from the directors (**Appendices 22 and 27**);
- f) omission of information for directors concerning relations between the Company and the Hitachi Group (**Appendices 22 and 25**);
- g) incomplete, inaccurate, contradictory, omissive or misleading statements made by the Company's directors and executives to the directors (**Appendices 19, 22, 24, 25, 27, 29, 33 and 35**);
- h) delays and deficiencies in the drafting of the minutes for the meetings of the Board of Directors (**Appendices 24 and 34**);
- i) decisions taken by the Managing Director in conflict of interest, in breach of the provisions of Art. 2391 of the Italian Civil Code (**Appendices 19, 25, 30 and 33**);
- j) breach by the Managing Director of the disclosure obligations imposed by Art. 23.3 of the Articles of Association (**Appendices 27, 29, 31 and 33**);
- k) systematic governance decisions that, in substance, have gradually deprived the Board of Directors of its powers (most recently, through the formation of a Bid Committee) and partially eliminated the role of the independent directors appointed by minority shareholders (**Appendices 19 and 25**);
- l) failure to inform the directors and the market in a timely manner of the resignation of the Manager Responsible for Company Accounting Documents pursuant to Art. 154-*bis* of Legislative Decree 58/98;
- m) the signing of settlement agreements with a value of [REDACTED] euro for the termination of the employment of an executive reporting directly to the Managing Director, without the Board of Directors being informed thereof;

- n) an anomalous request to replace the independent auditors of Ansaldo STS (KPMG) with the independent auditors of the Hitachi Group (EY) in mid-December 2016, just a few days from the end of the financial year;
- o) breach of Art. 3.2.2 of the “*Procedure for the Management and Disclosure of Inside and Confidential Information*”;
- p) breach of Art. 3 (“*Activities of the Board of Directors*”) of the Regulations governing the Board of Directors of Ansaldo STS and the powers granted to the Board of Directors, i.e. the provision of untruthful information to the directors, with possible tax irregularities, relating to the payment of severance pay “*by way of voluntary redundancy incentive*” in return for an employee’s decision to leave the Company of his own initiative;
- q) [REDACTED]

**As I have already remarked in the past, what concerns me in my role as director of the Company is not just the significance (albeit not always uniform) of each of the circumstances into which I have requested an inquiry, but also their collective importance.**

I hope that you appreciate my efforts to keep you systematically informed (as limited to the matters relevant to each of you) of the verification of documented facts (facts that, additionally, should already be available to you, as they are to me), and in so doing I believe that I am performing (with all due respect) a “substitute” role in simplifying a task that frankly I do not believe to be my responsibility.

Furthermore, my right and duty to act with the diligence required by the nature of my position and my specific professional competencies is also oriented towards reducing joint and several liability, given that “*directors, without prejudice to the provisions of paragraph three of Article 2381, shall be jointly and severally liable if, despite being aware of prejudicial events, they have failed to do what was in their power to prevent them from occurring or to eliminate or mitigate their adverse consequences*” (Art. 2392 of the Italian Civil Code).

Finally, if any of you (as above, within your respective purviews) believe that the circumstances reported ((a) – (q)) – some of which have now been reported to some of you for several months – (i) do not fall within your purview; (ii) are not sufficiently documented; (iii) are specious, contrived or insignificant; or (iv) have already been analysed without finding any breach **of the law, Articles of Association and principles of sound management**, I would respectfully appreciate receiving a detailed response to each so that it might be retained in the Company’s records and I might be reassured as to the management records.

Please do not hesitate to contact me for any clarifications.

Yours sincerely,

[Signed]

Giuseppe Bivona

Director, Ansaldo STS

## List of Appendices

- Appendix 1 – Abstract of the meeting of the BoD of 28 October 2016
- Appendix 2 – Private agreement between Ansaldo STS and Mr Carassai (19 October 2016)
- Appendix 3 – Agenda of the Meeting of the Board of Directors of 28 October 2016 (24 October 2016)
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- Appendix 5 – Transmission to the Directors of Proposals to be Discussed at the Meeting of the BoD of 28 October 2016 (24 October 2016)
- Appendix 6 – Ansaldo STS – Procedure for the Management and Disclosure of Inside Information
- Appendix 7 – Ansaldo STS – Consolidated Interim Report as at 30 September 2016 (abstract) (28 October 2016)
- Appendix 8 – Ansaldo STS – Press Release (24 May 2016)
- Appendix 9 – Ansaldo STS – Press Release on Resignation of CFO (28 October 2016)
- Appendix 10 – Exchange of e-mail between Mr Cipriotti and Mr Corsi (7-8 November 2016)
- Appendix 11 – Ansaldo STS – Press Release on Report as at 30/9/2016 (28 October 2016) \*
- Appendix 12 – Letter from G. Bivona (10 November 2016)
- Appendix 13 – Ansaldo STS – Regulations of the Board of Directors
- Appendix 14 – Ansaldo STS – Powers of the Managing Director
- Appendix 15 – Item 2 of the Agenda of the Board of Directors (28 October 2016)
- Appendix 16 – Draft Notice of Ordinary Shareholders' Meeting (28 October 2016)
- Appendix 17 – Draft Illustrative Report for the Ordinary Shareholders' Meeting of 15 December 2016 (28 October 2016)
- Appendix 18 – Ansaldo STS – Conference call (31 October 2016)
- Appendix 19 – Letter from G. Bivona (7 June 2016), plus 25 Appendices \*
- Appendix 20 – Letter from G. Bivona (9 June 2016) \*
- Appendix 21 – Letter from G. Bivona (14 June 2016), plus six Appendices \*
- Appendix 22 – Letter from G. Bivona (29 June 2016), plus 13 Appendices \*
- Appendix 23 – Letter from G. Bivona (17 July 2016), plus three Appendices \*
- Appendix 24 – Letter from G. Bivona (2 August 2016), plus two Appendices \*
- Appendix 25 – Letter from G. Bivona (3 August 2016), plus two Appendices \*
- Appendix 26 – Letter from G. Bivona (4 August 2016), \*
- Appendix 27 – Letter from G. Bivona (5 August 2016), plus three Appendices \*
- Appendix 28 – Letter from G. Bivona (8 August 2016), plus three Appendices \*
- Appendix 29 – Letter from G. Bivona (10 August 2016), plus five Appendices \*
- Appendix 30 – Letter from G. Bivona (2 September 2016), plus five Appendices \*
- Appendix 31 – Letter from G. Bivona to CONSOB, the Italian National Stock Exchange Supervisory Commission, (4 October 2016), plus two Appendices \*
- Appendix 32 – Letter from G. Bivona (9 October 2016) \*
- Appendix 33 – Letter from G. Bivona (12 October 2016), plus two Appendices \*

- Appendix 34 – Letter from G. Bivona (15 October 2016) \*
- Appendix 35 – Letter from G. Bivona (3 November 2016), plus 41 Appendices \*
- Appendix 36 – Minutes of hearing (14 October 2016)

*\* Document already available to the Board of Statutory Auditors, to be understood as referenced along with the pertinent Appendices.*

*For the attention of:*

Giacinto Sarubbi

Enrica Spinardi

Renato Righetti

**Board of Statutory Auditors of Ansaldo STS**

*Copy for information to:*

Board of Directors

**Ansaldo STS**

Nicoletta Garaventa

**Chairman of the Ansaldo STS Supervisory Committee**

Giacomo Galli, Managing Director, Protiviti S.r.l.

**Head of the Internal Audit Department of Ansaldo STS**

**Italian National Stock Exchange Supervisory Commission – CONSOB**

Via email: [consob@pec.consob.it](mailto:consob@pec.consob.it)

Corporate Governance Division

**CONSOB**

Via email: [dgc@pec.consob.it](mailto:dgc@pec.consob.it)

AND

Public Prosecutor's Office

4 December 2016

Dear Giacinto,

**RE: Letter from Mr Giacinto Sarubbi, Chairman of the Board of Statutory Auditors of Ansaldo STS of 24 November 2016 (the “Letter”)**

[SIX PAGES OMITTED]

Yours sincerely,

[Signed]

Giuseppe Bivona

Director, Ansaldo STS

For the attention of:

Giacinto Sarubbi

Enrica Spinardi

Renato Righetti

**Board of Statutory Auditors of Ansaldo STS**

Nicoletta Garaventa

**Chairman of the Ansaldo STS Supervisory Committee**

Giacomo Galli, Managing Director, Protiviti S.r.l.

**Head of the Internal Audit Department of Ansaldo STS**

Copy for information to:

**Italian National Stock Exchange Supervisory Commission – CONSOB**

Via email: [consob@pec.consob.it](mailto:consob@pec.consob.it)

Corporate Governance Division

**CONSOB**

Via email: [dcg@pec.consob.it](mailto:dcg@pec.consob.it)

6 December 2016

Dear Sir/Madam:

**RE: Letter from Ansaldo STS to *Il Sole24Ore* (6 December 2016)**

I would like to report the following with regard to my previous letter of 11 November 2016 (re: “*Meeting of the Board of Directors of Ansaldo STS of 28 October 2016*,” Giuseppe Bivona, 11 November 2016), and in particular to my objections in Paragraph I (*Delayed disclosure to the market of the agreement between Chief Financial Officer Roberto Carassai and the Company dated 19 October 2016*) and Paragraph II (*Regularity of the private agreement between the Company and Mr Carassai, 19 October 2016*):

In today’s edition of *Il Sole24Ore* (6 December 2016), a letter (**Appendix 1**) from Ansaldo STS, signed by Edoardo La Ficara (Senior Vice President Institutional Affairs External Relations and Communication, Ansaldo STS) was published. In this letter, on the subject of the departure of Chief Financial Officer Carassai from the company, it is stated that this was a case of “*consensual termination and not of resignation.*”

Without prejudice to the objections I raise in my letter of 11 November 2016, which I reference in full, I would like to recall that on 28 October 2016 Ansaldo STS issued a press release (**Appendix 2**) in which it is stated that Mr Carassai had “*signed an agreement with the Company for the consensual termination of his employment, as he intended to embark on a new phase of his career*,” the title of which expressly states “**RESIGNATION OF THE CHIEF FINANCIAL OFFICER**” (red and boldface type in the original text, and I believe the font size was 15).

In the light of this new circumstance, I **once again** ask each of you, as limited to your respective purviews, including the supervisory authority, to shed full light on the **unclear and contradictory** events and circumstances disclosed by the company to the directors (see my letter of 11 November 2016) and to the public, including in the light of the letter published today.

I would like to remind you that the resignation of Chief Financial Officer Carassai, formalised on 19 October 2016 and not disclosed by the Company until I personally raised the issue during the meeting of the BoD of 28 October 2016, was also followed on 14 November 2016 by the resignation of the independent auditor (KPMG). Together, the two events near year-end are grounds for alarm and concern. This will be even more true if E&Y (Hitachi’s independent auditors) are awarded the assignment to audit the 2016 financial statements of Ansaldo STS.

On this subject, and for the sole purpose of ensuring that all parties have full access to the information, I would also like to remind you that during the meeting of the BoD of 24 November 2016 Chairman Dormer represented to the directors that CONSOB “informally” expressed a recommendation that new independent auditors be appointed for the 2016 financial statements, rather than making use of the extension scheme (an alternative solution that would have allowed KPMG to audit the 2016 financial statements).

Yours sincerely,

[Signed]

Giuseppe Bivona

Director, Ansaldo STS

## **List of Appendices**

- Appendix 1 – Letter from Ansaldo STS to *ISole24Ore* (6 December 2016)
- Appendix 2 – Press release by Ansaldo STS (28 October 2016)



*For the attention of:*

Alistair Dormer  
**Chairman of the Board of Directors, Ansaldo STS**

Giacinto Sarubbi  
**Chairman of the Board of Statutory Auditors, Ansaldo STS**

*Copy for information to:*

Board of Directors  
**Ansaldo STS**

Enrica Spinardi  
Renato Righetti  
**Statutory Auditors, Ansaldo STS**

Nicoletta Garaventa  
**Chairman of the Supervisory Committee of Ansaldo STS**

Giacomo Galli, Managing Director, Protiviti S.r.l.  
**Head of the Internal Audit Department of Ansaldo STS**

**Italian National Stock Exchange Supervisory Commission – CONSOB**  
Via email: [consob@pec.consob.it](mailto:consob@pec.consob.it)

Corporate Governance Division  
**CONSOB**  
Via email: [dcg@pec.consob.it](mailto:dcg@pec.consob.it)

12 December 2016

Dear Chairman Dormer/Giacinto,

**RE: Further request for information requested by the directors**

In view of the meeting of the Board of Directors of 19 December 2016, at which – insofar as may be determined – the Board will once again discuss the matter of the independence of the director De Benedictis, I would like to kindly ask the Chairman of the Board of Directors and Chairman of the Board of Statutory Auditors to take action to ensure that the Company complies, without further delay, with the request to grant the directors access to the information repeatedly requested by the directors appointed by the minority shareholders:

**Request for Chairman Dormer:**

1. The forwarding of the *pro-forma* invoices set out in Clause 4 of the contract signed on 20 June 2016 between the firm [REDACTED] and the Company, in the person of Managing Director Andrew Barr. The information, which I requested from the Company for the first time on 15 September 2016 (followed by repeated further requests), was reported to the Board of Statutory Directors as not having been provided, first by Director Cipriotti on 20 September 2016 and then by myself on 12 October 2016, and still has not been made available to the directors.

I would also like to take the opportunity to ask that the directors be provided access to any other invoices issued by the firm [REDACTED] in connection with the contract and that the related *pro-forma* invoices be attached, in addition to the single invoice from [REDACTED] of 18 July 2016, forwarded to the Board on 6 September 2016.

I should not have to remind you that the legal advice in question (i) which had been concealed from the members of the BoD on 27 July 2016 and the existence of which was only determined due to my thorough inquiries and (ii) which was then censured by the governance bodies in reference to representations made (de Benedictis) and withheld (Barr) during the meeting of the BoD of 11 July 2016, once again only due to my thorough inquiries – concerned the very matter of the Mr de Benedictis' independence.

**Request for Chairman of the Board of Statutory Auditors Sarubbi**

1. I renew the request formulated by Director Cipriotti on 7 December 2016 (**Appendix 1**), which I also put forth during the meeting of the Board of Directors of 24 November 2016, that the directors be provided access to the report of the Board of Statutory Auditors which Statutory Auditor Spinardi read out during the meeting of the BoD of 24 November 2016.

You will recall that the report read out on 24 November 2016 by Statutory Auditor Spinardi on behalf of the Board of Statutory Auditors contains specific remarks concerning the matter of the independence of the director De Benedictis. Accordingly, we wish to obtain and carefully review the content of the Board of Statutory Auditors' report before the matter is discussed on 19 December.

2. I would also like to know whether the Board of Statutory Auditors has already provided the Company with the report in question and, if so, to ask that it be specifically stated **who sent it, to whom and when**.
3. I would like to take the opportunity to reiterate my request to Chairman Sarubbi that he respond **accurately** to the questions that I sent him in my correspondence of 11 November and 4 December 2016<sup>1</sup>, since the purpose of those questions was to establish facts and circumstances with a potentially adverse impact on the delicate matter that the Board of Directors will be required to consider at the initiative of the Board of Statutory Auditors.

\*\*\*

Allow me to state that I find it to be **objectionable** that the information requested – in particular the *pro-forma* invoices and the Board of Statutory Auditors' report read out during the meeting of the BoD of 24 November 2016 – was not promptly forwarded to the directors, above all in the light of two **objective considerations**: (a) the prompt, immediate

availability of the information in question (the documents in question are available and failure to forward them seems indicative of a clear intent on the part of those who effectively decided not to forward them to the directors) and (b) the significance of the matters to which they pertain.

**I therefore ask that Chairman Dormer and Chairman Sarubbi take action without delay to ensure that the information is immediately made available to the directors.**

Thank you in advance for your collaboration.

Yours sincerely,

[Signed]

Giuseppe Bivona

Director, Ansaldo STS

Strictly confidential

B

For the attention of Mr Bruna Cova

Copy for information to:

Board of Directors

**Ansaldo STS**

Giacinto Sarubbi

Enrica Spinardi

Renato Righetti

**Board of Statutory Auditors, Ansaldo STS**

Nicoletta Garaventa

**Chairman of the Supervisory Committee of Ansaldo STS**

Giacomo Galli, Managing Director, Protiviti S.r.l.

**Head of the Internal Audit Department of Ansaldo STS**

**Italian National Stock Exchange Supervisory Commission – CONSOB**

Via email: [consob@pec.consob.it](mailto:consob@pec.consob.it)

Corporate Governance Division

**CONSOB**

Via email: [dcg@pec.consob.it](mailto:dcg@pec.consob.it)

13 December 2016

Dear Mr. Cova,

**RE: Engagement on 20 June 2016 of the Paul Hastings firm to provide legal counsel to Ansaldo STS**

In reference to the engagement (Appendix) on 20 June 2016 of the Paul Hastings firm (the “Firm”) by Ansaldo STS (the “Company”) to provide legal counsel, concerning “*legal assistance and counsel for the directors of Ansaldo STS S.p.A. with regard to any needs for assistance that the directors may have in respect of matters brought to the attention of the Board of Directors and internal Board committees,*” I would like to ask you to please forward the following documentation to the Board of Directors and the Board of Statutory Auditors:

Strictly confidential

1. all of the invoices<sup>1</sup> issued by the Firm to the Company in respect of the above engagement;
2. all of the *pro-forma* invoices for each invoice indicating the services rendered (date/start/description/hours), as provided for in Clause 4 of the letter of engagement.

I (and others) have repeatedly requested the information in question from the Company but have never received a response<sup>2</sup>. Of course I have no reason to doubt that the Firm has provided the information to its contact persons within the Company. However, since the Paul Hastings firm was engaged in the interest of the Company, and certainly not of the individual who effectively signed the engagement or the Firm's contact, I would be grateful to you if you could grant my request to re-send the information directly to the Board of Directors and the Board of Statutory Auditors.

For reasons and circumstances beyond the control of the Firm (with whose value and prestige I am familiar), the representations provided (and omitted) by several members of the Board of Directors with regard to the engagement of Paul Hastings have become the subject of contention, most recently also by a governance body with a control function, **from the standpoint of inadequate transparency and additionally, and no less importantly, the "disparity" of treatment reserved for the independent directors appointed by the majority shareholders** to the detriment of the treatment reserved for the independent directors elected by the minority shareholders.

Although the Firm, as I have already mentioned, is in no way responsible for the matters subject to "censure," I believe that your collaboration would be highly appreciated by the directors and, in the Firm's interest, would contribute to avoiding any negative consequences of a matter in which the "Paul Hastings" name is (willingly or unwillingly) cited within the Company in connection with a situation characterised by, among other traits, "*inadequate transparency*" and "*disparity of treatment*."

If you were to receive any appeals not to fulfil this request, please inform the supervisory authority in a timely manner, and possibly also the Public Prosecutor's Office, naturally in addition to the Board of Directors and the Board of Statutory Auditors.

The content of this letter is understood to be governed by Clause 7 (*Confidentiality*) of the engagement letter. Thank you in advance for your collaboration.

Yours sincerely,

[Signed]

Giuseppe Bivona

Director, Ansaldo STS

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<sup>1</sup> Except for the single invoice dated 18 July 2016 forwarded to the directors (without the *pro-forma* invoice).

<sup>2</sup> With the exception of the invoice dated 18 July 2016, which was sent.

Mr Stefano Siragusa

London, 30 September 2016

Dear Mr Siragusa,

**Re: Ethics and leadership**

As you are aware, Ansaldo STS (the “Company”) – of which you were the Managing Director and General Manager until May 2016 – fosters and applies a company culture inspired by responsibility, ethical behaviour and integrity in the performance of its day-to-day activities, as specified in the *Code of Ethics*, which of course also applies to senior management. In particular, the *Code of Ethics* expressly states that the Company’s professionals must be “*capable and desirous of working together with their colleagues in a single, integrated organisation.*” I am certain that those same values also guide the behaviour of the professionals who work at the prestigious consulting firm of which you are now a part.

With the above in mind, please allow me to express my disappointment and disapproval at learning that in April 2016 you – in your capacity as Managing Director and General Manager of the Company – allegedly signed a “private agreement” with a senior executive of the Company responsible for human resources governing the conditions of that executive’s departure from the company on the basis of an initiative that – as represented – would not seem to have been adequately circulated within the company.

Regardless of any assessment regarding the exercise of your powers (a fact not under discussion and beyond the scope of this letter), from the standpoint of ethical behaviour and management only, including with regard to company best practice, I believe that it might potentially be inappropriate that there was not broad agreement concerning a decision – which, additionally, was taken near the time of your resignation – certainly of great importance to the Company and concerning a company executive in an important position.

Of course, if the facts represented herein are inaccurate, I hereby apologise, trusting that you will understand the constructive spirit of my letter in protection of the Company’s interests and, more generally, of the corporate governance principles the proper application of which is a means of protecting shareholders and the market for all listed companies.

I am certain that you will agree with me on the principle that leadership and ethical behaviour are inextricably linked values with a fundamental role in all professional endeavours, in which I in any event wish you every success.

Best regards,

Giuseppe Bivona

[Signed]

From

Sent: Tuesday, 4 October 2016 10:18

To: Stefano Siragusa

CC: Giacinto Sarubbi; DORMER, Alistair; CORSI, Filippo

Subject: Re:

Dear Mr Siragusa,

Thank you for your prompt and courteous reply.

Allow me to state that personally I have never doubted that you "*discussed and reported the... decisions in all circumstances,*" promptly notifying thereof the "*company bodies, which were always kept informed.*"

I would have been surprised to learn that the opposite was true, which is simply an unlikely state of affairs, given the very serious matters I have raised.

To be frank, given the high regard in which I have always held you and your work, your answer was precisely what I hoped to receive and for this I of course thank you.

Naturally, I reserve the right to make use of your confirmation in all venues in which I may raise the matter.

I apologise once more for disturbing you and send you my warmest regards.

Yours respectfully,

Giuseppe Bivona

\*\*\*

From: Stefano Siragusa

Sent: Tuesday, 4 October 2016 8:46

To: Giuseppe Bivona

CC: Giacinto Sarubbi; DORMER, Alistair; CORSI, Filippo

Subject: RE:

Dear Mr Bivona,

Please address your current and future questions to the Company and its governing bodies, which I always informed of my actions, and with which I always discussed and reported my decisions in all circumstances, as also required by the self-governance code.

For your information, I had already forwarded your original e-mail to the Company, to which it falls – at its discretion – to reply to you.

For me, Ansaldo STS is a closed chapter of my career.

Thanks,  
Stefano Siragusa



Mr Stefano Siragusa

Dear Mr Siragusa,

Copy for information to:

Board of Statutory Auditors of Ansaldo STS

Nicoletta Garaventa

**Chairman of the Supervisory Committee of Ansaldo STS**

Giacomo Galli, Managing Director, Protiviti S.r.l.

**Head of the Internal Audit Department of Ansaldo STS**

Maria Giovanna Altamura

Maria Letizia Ermetes

Corporate Governance Division

**CONSOB**

Via email: [dcg@pec.consob.it](mailto:dcg@pec.consob.it)

11 November 2016

Dear Mr Siragusa,

As you may have read, Mr Carassai, Chief Financial Officer and Manager Responsible for Company Accounting Documents of Ansaldo STS (the “Company”) recently announced his decision to leave the Company.

As you are aware, the primary asset of Ansaldo STS is its human capital. In my role as director, I am thus interested in thoroughly understanding the reasons that may drive a senior executive to leave the company, in particular in the case of the Manager Responsible for Company Accounting Documents.

Since you were Managing Director and General Manager until the shareholders’ meeting of 13 May 2016, I would like to know from you whether during the period in which you were the Company’s Managing Director and General Manager Mr Carassai had unresolved issues with the Company, such as salary rises promised but not delivered or, more generally, issues predating the current management that could have led him to make demands or formulate claims against the Company.

I know full well that you are under no obligation to answer me and I am equally aware that your duty of confidentiality to the Company could nonetheless prevent you from doing so. Accordingly, if you are willing to share your recent experience, please convey your point of view directly to the Board of Statutory Auditors, the Supervisory Committee, the Head of the Internal Audit Department and the Corporate Governance Division of CONSOB, copied in this letter.

If you were to receive undue pressure discouraging you from providing such information, please feel free to report it to the competent authority, attaching this letter from me.

Please allow me to add that on the subject in question I have already obtained the opinion of previous members of the board of directors, but of course your point of view would add authority and depth of knowledge on a subject of interest to the directors in order to improve company policies in general so as to “attract and retain” the best resources to the Company.

I would like to thank you in advance if you should decide to fulfil my request, and please be sure that the employees of the Company who remember you with esteem and affection would be even more grateful.

Yours sincerely,

[Signed]

Giuseppe Bivona

Director, Ansaldo STS

[Documents in English omitted.]



**ORDINARY COURT OF GENOA  
CIVIL CHAMBER IX**

**MINUTES OF THE HEARING IN THE CASE UNDER GENERAL REGISTER NO. 9696-1/2016**

**continued**

\*\*\*\*\*

In the year 2016, on the 14<sup>th</sup> day of October, before Investigating Magistrate Ada Lucca, there appeared, on behalf of the Elliott Funds Messrs Erede, Domenichini, Salvaneschi, Perfetti and Pratelli;

on behalf of Ansaldo, Messrs Gato, Pappalardo and Donnini;

on behalf of Hitachi, Messrs. Ferrarini, Nanni, Auricchio, Premo, Lirosi, Cisani and Martinelli in replacement of F. Gianni.

Also present were Chairman of the BoD Alistair Dormer, Mr Alberto de Benedictis (board member), Mr Giuseppe Bigona [sic] and Ms Rosa CCipriotti [sic]. Chairman of the Board of Directors [sic] Giacinto Sarubbi also appeared.

Mr Filippo Corsi acted as interpreter.

Mr Dormer took the stand.

[OMITTED.]

[SEVERAL PAGES OMITTED.]

Mr Fabio Labruna, a member of the board of directors, also appeared.

Ms Rosa Cipriotti, an independent director, appointed from list 2, then took the stand.

[OMITTED.]

[SEVERAL PAGES OMITTED.]

Mr Labruna, an independent director (list 2), took the stand. In answering the question put to him by the judge, and with the judge's permission, he read out the statement that is appended to the minutes.

Mr Alberto De Benedictis, an independent director (list 1) of Ansaldo STS, chairman of the Control and Risk Committee and a member of the Nomination Committee, took the stand.

[OMITTED.]

Statement by independent director Mr Fabio Labruna.

[OMITTED.]

Appendix to the minutes 14/10/2016

[OMITTED.]

Mr Giuseppe Bivona, independent director of Ansaldo (list 2), took the stand.

In your opinion as an independent director, what are the risks or advantages of possible suspension of the appointment of the Board of Directors?

I too agree that Ansaldo's main capital is represented by its engineering expertise. I also would like to emphasise the risk that there may be a transfer of knowledge to Hitachi, particularly as regards the signalling sector, in which the two companies are competitors. In addition, the subject of guarantees, so often invoked here, never received any attention during the six sessions of the BoD held to date. I believe that the very existence of the suit intensifies the risk of such transfer because neither of the parties can regard the decision as without risk.

[OMITTED.]

In response to questioning: Two years ago I formed the company Bluebell Partners. It also advises Elliott. It is true that I was at the top of the list submitted by the Elliott Funds, but I represent all minority interest shareholders, and not just Elliott's interests. In fact, we received nearly all votes from shareholders other than Elliott and Hitachi.

In response to questioning: I have submitted approximately 20 memoranda to CONSOB on the company's behaviour. I have also informed CONSOB of all of the facts I mentioned just now.

Read, confirmed and signed [*Illegible signature*]

Mr Giacinto Salubbi [*sic*], Chairman of the Board of Statutory Auditors, took the stand.

[*OMITTED.*]

At 13:30 hours the hearing was adjourned until 14:15 hours.

The Judge

Ada Lucca

**ORDINARY COURT OF GENOA**  
**CIVIL CHAMBER IX**

At 14:20 hours the hearing resumed, in the presence of the same

[*OMITTED.*]

A lengthy discussion ensued. The judge reserved the matter for decision. The hearing was adjourned at 16:30 hours.

The judge.

[*Illegible signature.*]

*For the attention of:*

Giacinto Sarubbi

Enrica Spinardi

Renato Righetti

**Board of Statutory Auditors of Ansaldo STS**

Nicoletta Garaventa

**Chairman of the Supervisory Committee of Ansaldo STS**

Raffaele Jerusalemi

**Managing Director**

Borsa Italiana S.p.A.

**Italian National Stock Exchange Supervisory Commission – CONSOB**

Via email: [consob@pec.consob.it](mailto:consob@pec.consob.it)

Corporate Governance Division

**CONSOB**

Via email: [dcg@pec.consob.it](mailto:dcg@pec.consob.it)

*Copy for information to:*

Public Prosecutor's Office

23 December 2016

Dear Sir/Madam,

**RE: Resolutions passed by the Board of Directors of Ansaldo STS on 19 December 2016**

I would like to bring the following to your attention with regard to the meeting of the Board of Directors of Ansaldo STS (“**Ansaldo**” or the “**Company**”) of 19 December 2016.

**I. Assessment of satisfaction of independence requirements by Board Member De Benedictis**

On 21 November 2016, the Board of Statutory Auditors had asked the Chief Executive Officer of Hitachi Rail (Dormer), in his additional capacity as the Company's Chairman, to add a specific item to the agenda for the meeting of the Board of Directors of 24 November 2016 concerning the examination of the independence requirements for board member de Benedictis, since it was objected that those requirements had not been met, first



on 16 May 2016 by the directors appointed by the minority shareholders (Bivona, Cipriotti and Labruna), and then on 27 July 2016 by the Board of Statutory Auditors itself.

Chairman Dormer ignored the request (which, incidentally, had also been put to him by several board members<sup>1</sup>) and thus was **reprimanded** by the Board of Statutory Auditors, which under Article 27.5 of the Articles of Association ordered Chairman Dormer to convene a meeting of the Board of Directors by 21 December 2016, including on its agenda the discussion of whether board member de Benedictis meets independence requirements, “*it being understood that, if this is not done, the Board of Statutory Auditors will report the circumstances in question to Consob pursuant to Art. 149 (3) of the Consolidated Finance Act (TUF)*” (Board of Statutory Auditors, Appendix 3).

The Chairman convened the Board of Directors in London on 19 December 2016 and the Board of Directors once again approved, with the votes of only the directors appointed by Hitachi (exactly as had occurred on 16 May 2016), the independence of board member de Benedictis, as stated in the Press Release of 20 December 2016 (**Appendix 1**): “*Ansaldo STS S.p.A. would like to announce that, on 19 December 2016, the Company’s Board of Directors met and resolved, by majority vote, in favour of the satisfaction of independence requirements by Mr Alberto de Benedictis, **including in the light of an independent opinion provided by Mr Angelici, a professor emeritus of Commercial Law at La Sapienza University of Rome, in further confirmation of the resolutions previously passed by the Company’s BoD***” (**Appendix 1**).

I therefore ask the Board of Statutory Auditors to determine whether the assessment conducted by the majority of the members of the Board of Directors (with board members Bivona, Labruna and Cipriotti, appointed by the minority shareholders, voting against) was accurate, specifically in the light of the following **factual circumstances**:

1. At the meeting of 19 December 2016, the directors appointed by Hitachi ignored the opinion (**Appendix 2**) provided, at my request, by Professor Alberto Mazzoni, tenured professor of Commercial Law and professor of International Commercial Law at the Catholic University of Milan, and, among his other responsibilities, Chairman of the Board of Arbitrators of Borsa Italiana S.p.A. - submitted to the Company on 18 December 2016, but effectively not even admitted (see point 8) or cited in the press release (**Appendix 1**);
2. In his opinion, Professor Alberto Mazzoni states that “*there are sufficient elements to assemble a set of circumstances highly indicative **of the failure to satisfy independence requirements by Mr De Benedictis***”; “*on a structural level, i.e., with regard to the circumstances that in the abstract are relevant to judging whether there are elements of risk to his independence – Mr De Benedictis is in a situation that justifies **a significant level of attention to his role***” and “*on a behavioural level, **the behaviour of both Mr De Benedictis and the other directors appointed by Hitachi** credibly support the view that **Mr De Benedictis is not independent, as needs to be verified on the basis of the existence of the above structural element***” (Professor Mazzoni, Appendix 2);
3. The Chief Executive Officer of Hitachi Rail (the Company’s controlling shareholder, with a 51% interest, and thus responsible for management and coordination), in his additional capacity as Chairman of the Board of Directors of Ansaldo STS, harshly contested, denounced and objected to – in a tone and manner that I would not hesitate to term intimidating – the fact that in my capacity as director I consulted a legal

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<sup>1</sup> See the letter sent by Director Cipriotti to the BoD and the Board of Statutory Auditors on 20 September 2016.

advisor of my own (and thus subject to lawyer-client privilege) to obtain an independent opinion of the independence requirements of Mr De Benedictis in order to fulfil my **duty to act in an informed manner with the diligence requested by the nature of my role and specific competencies** (which do not include legal matters), and also objected to my having disclosed to persons extraneous to the Company (namely, Professor Alberto Mazzoni) confidential information, without (according to him) being entitled to do so. This specious attack was aimed - without much attempt to conceal its purpose – at preventing me from obtaining the opinion;

4. Similar objections were also addressed to me by Hitachi's consultant Katherine Mingay, in her additional capacity as non-independent director of Ansaldo STS appointed by Hitachi, who until 28 October 2016 acted as the Company's Deputy Chairlady, which position she then resigned, resulting in her replacement precisely by the "independent" director de Benedictis on the proposal of the Chief Executive Officer of Hitachi Rail Mr Dormer;
5. Chairman Dormer and board member Mingay not only objected on 19 December 2016 to my initiative in requesting and submitting a legal opinion from a legal advisor of my choosing, but they had also, during the meeting of the Board of Directors of 11 July 2016, opposed and rejected (supported in this by the other board members appointed by Hitachi) the request by the independent directors appointed by the minority shareholders (Bivona, Cipriotti and Labruna)<sup>2</sup> for legal support directly from the Company in order to request an opinion of board member de Benedictis' independence.

**The circumstance appears all the more serious** (allow me to say "shameful") if one considers that the former Chief Operating Officer of Hitachi Rail (Barr), in his position as Managing Director of the Company, had assured legal assistance (engaging Mr Bruno Cova [REDACTED]) for de Benedictis in support of his independence from the Company (an oxymoron), **with two additional aggravating factors**: (a) on 27 July 2016 Managing Director Barr had concealed from the Board of Directors the existence of the engagement of the firm [REDACTED], which was only discovered due to my diligent work as director; and (b) on 11 July 2016, Mr de Benedictis, referring to certain assistance received from Mr Bruno Cova (when the Company still had not admitted that it had engaged Mr Cova, a fact that was subsequently established on 6 September 2016, after considerable insistence on my part), spoke of an 'initiative' of his, when in reality it was discovered that the engagement dated to 20 June 2016 and was awarded by Ansaldo STS, through Managing Director Barr, at the Company's expense (in other words, to be clear, it was 49% paid for by the minority shareholders).

For these reasons, the behaviour of Messrs Barr and de Benedictis has been subject to **repeated and severe** reprimands by the Board of Statutory Auditors:

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<sup>2</sup> Compare the minutes of the meeting of the Board of Directors of 11 July 2016.

*“With regard to the matter of the counsel provided by Mr Cova for the benefit of director Alberto de Benedictis, refer to the remarks presented and the **reprimands delivered during the meeting of the Board of Statutory Auditors of 20 September 2016**.”*

***On this subject, the Board of Statutory Auditors believes that the behaviour of both director de Benedictis and the Managing Director at the meetings of the Board of Directors of 11 July and 28 October 2016, with regard to the requests for clarification concerning the engagement of the firm [REDACTED] is, the least, objectionable from the standpoint of inadequate transparency and additionally, and no less importantly, from the standpoint of the 'disparity' of the treatment of the independent directors appointed by the majority shareholders (who benefited from legal advisors paid for by the company) and the remaining independent directors, who requested the engagement of an additional legal advisor to express an opinion of the independence of director de Benedictis but were denied this request”** (Board of Statutory Auditors, 24 November 2016, Appendix 3).*

6. During the meeting of the Board of Directors of 19 December 2016, the non-independent (Dormer, Barr and Mingay) and independent (Painter) members of the Board, whose first language is English, **appointed by Hitachi**, did not grant my request that the Company prepare a translation into English of Professor Alberto Mazzoni’s opinion (drafted in Italian) in order to ensure that the directors in question were able to review it before deliberating on the independence of the board member de Benedictis, consequently postponing the passage of the resolution until a subsequent session of the Board of Directors, which could have been convened in very short order;
7. During my discussion and illustration of Professor Alberto Mazzoni’s opinion, I was repeatedly silenced and interrupted by Chairman Dormer, whose behaviour obstructed the illustration of the opinion. All of this occurred within the framework of a Board of Directors that, due to the failure to implement an appropriate simultaneous Italian-English interpreting system, was held in conditions not consistent with the conduct of the board of directors of a listed company, as repeatedly also entered into the record by other directors, and exactly as took place in all cases in which the Board of Directors met in London (24 May 2016, 11 July 2016, 24 November 2016 and indeed 19 December 2016, i.e., as many as four times out of nine);
8. Chairman of the Board of Directors Dormer objected to my request to the Secretary of the Board of Directors [REDACTED] to append Professor Mazzoni’s opinion to the minutes of the meeting of the Board of Directors, ‘reserving the right’ to assess whether the request was legitimate (the request was of course wholly legitimate);
9. Board member de Benedictis, whose independence has been called into question since the first meeting (16 May 2016) of the Board of Directors appointed by the shareholders’ meeting of 13 May 2016, has shown a conflicted relationship with the true facts:

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<sup>3</sup> *“Moving on, therefore, to the subject under point b), concerning the legal counsel provided by Mr Cova for the benefit of Director Alberto de Benedictis, the Board of Statutory Auditors, noting that the Company, on 6 September 2016, after repeated requests, provided the clarification and documentation requested on the subject until that date, believes that the failure to provide such information in a timely manner should be subject to reprimand”* (minutes of the meeting of the Board of Statutory Auditors of 20 September 2016).

(a) until expressly asked (by me), Mr De Benedictis had neglected to inform the Board of Directors that a close family member of his [REDACTED] was an employee of Finmeccanica, a circumstance that certainly 'deserved' to be disclosed given that, according to the Self-Governance Code adopted by the Company, a director normally cannot be regarded as independent if that director is "*a close family member of a person [REDACTED] who is in one of the situations set out in the foregoing points*" or is "*an employee*" of an entity (author's note – Finmeccanica, the controlling shareholder of Ansaldo STS until November 2015) that "*had in the previous year [author's note – 2015] a significant commercial, financial or professional relationship*" with Ansaldo STS (Self-Governance Code, point 3.1.C h).

In this connection, Professor Angelici is faintly ridiculous when in his opinion he states "*Mr de Benedictis' sister [REDACTED] allegedly worked (and, indeed, it is not entirely clear to the author whether she stills works) as an employee of the Finmeccanica group*" (**Appendix 4, p. 2**): all things considered, this fact was not difficult to establish, yet it seems that not even Professor Angelici succeeded in obtaining a clear answer (e.g., "yes" or "no");

(b) Mr de Benedictis engaged in behaviour "*during the meetings of the Board of Directors of 11 July and 28 October 2016, with regard to the requests for clarification of the engagement of the firm [REDACTED] [author's note – i.e., the law firm engaged by Managing Director Barr to provide support to Mr de Benedictis in the very matter of his independence] ... that at the very least may be termed objectionable ... from the standpoint of inadequate transparency...*" (Board of Statutory Auditors, 24 November 2016, Appendix 3);

(c) on 27 October 2016, Mr de Benedictis sent a letter (**Appendix 5**) to Chairman of the Board of Directors Dormer and Chairman of the Board of Statutory Auditors Sarubbi in which – with laudable yet self-interested modesty – he sought to diminish the importance of the position filled at Finmeccanica ("*the position of CEO of Finmeccanica UK [author's note – i.e. the role filled by Mr De Benedictis] did not have the same significance as analogous positions in the operating companies of the group [author's note – Finmeccanica],*" "*the position of CEO of Finmeccanica UK is not to be considered a senior position,*" "*Finmeccanica UK was not a first level company of Finmeccanica S.p.A., much less a company of strategic importance*"), claims which I clearly disproved in my painstaking reconstruction of the true facts (**Appendix 6**, 3 November 2016), which admitted no reply (**and in fact Mr de Benedictis never replied, since there was clearly nothing he could reply**);

10. In the matter of the independence requirements of Mr De Benedictis, the Board of Directors and Board of Statutory Auditors were provided as many as four opinions, two of which were requested by the executive directors appointed by Hitachi - the opinion of Professor Tombari of 6 July 2016 (**Appendix 7**) and the opinion of Professor Angelici of 12 December 2016 (**Appendix 4**) – and two requested separately by the Board of Statutory Auditors – the opinion of Professor Marchetti of 21 July 2016 (**Appendix 8**) and the opinion that I requested from Professor Mazzoni of 18 December 2016 (**Appendix 2**). **It is no coincidence that the only two opinions that conclude that Mr De Benedictis is independent are those requested by Hitachi's executive directors.**

11. Furthermore, it is difficult not to notice that the opinions provided by professors Tombari, Angelici and Marchetti contain no mention whatsoever of a substantive examination of the independence requirements of Mr De Benedictis, although the Self-Governance Code for Listed Companies adopted by Ansaldo STS expressly states that “*The board of directors shall assess the independence of its non-executive members with an emphasis on substance over form*” (3.C.1). In effect, the three opinions cited (**as opposed to Professor Mazzone’s opinion**), regardless of the learned legal disquisitions useful to assessing the satisfaction of independence requirements in the abstract, do not take account of an assessment of the merits (evidently not requested by those who personally commissioned the opinions) of the attitude of “independent judgement” effectively displayed by the director, as clearly shown by the minutes of the Board of Directors, the minutes of internal board committees and the minutes and participation of the Board of Statutory Auditors, which are not even cited (and we need not wonder why), and which only Professor Mazzone (properly) took the trouble to review.
  
12. The matter of the independence of board member de Benedictis is relevant not only to ensuring the proper conduct of the company affairs of Ansaldo STS and the proper functioning of internal board committees, which in addition to supporting the board’s work also represent a guarantee, above all for minority interest shareholders (Mr de Benedictis is a member of both the Nomination Committee and the Risk Committee, which also serves as the Related Party Committee, of which he is also chairman: this role appears all the more delicate when it is considered that the controlling shareholder, Hitachi Rail, is a competitor of Ansaldo STS in rail signalling) but also due to the “**risk of suffering adverse consequences (such as suspension of listing)**” given that “**failure to comply with the provisions of Art. 37 of the Markets Regulation is grounds for suspension of shares from listing**” (Appendix 2, p. 14), a matter on that I would like to bring to the attention of Borsa Italiana.

## **II. Addition to the agenda: Communications from the Chairman regarding the conduct of director Bivona: any related decisions**

The agenda of the meeting of the Board of Directors of 19 December 2016 was expanded to reflect the request by Hitachi Rail’s Chief Executive Officer (Dormer), in his capacity as Chairman of the Company’s Board of Directors, to provide communications “*concerning the conduct of director Bivona: any related decisions*” (**Appendix 9**).

In the explanatory documents distributed to the board members as a part of the background information needed to decide on the matter, it is related to the directors that “*The Chairman will report to the Board of Directors regarding the conduct of board member Bivona following (a) the letter of 13 December 2016 (appended hereto) sent by board member Bivona to Mr Bruno Cova of [REDACTED] with a copy to – among others – CONSOB, (b) the approximately 27 memoranda and letters sent by that same board member to various parties, including the Board of Statutory Auditors, the Supervisory Committee, CONSOB and the Public Prosecutor’s Office (of which the board members are already aware), (c) the letters to third parties to the Company (appended hereto) and (d) to the Company’s ultimate controlling shareholder, Hitachi Ltd. (of which the Company recently became aware and which is also appended hereto)*” (**Appendix 9**).

For elementary reasons of style and elegance, at the time of the discussion I left the meeting in order to allow the directors to discuss the matter in question more freely. However, I first asked the “independent” director

Painter, the non-independent director Mingay and Chairman Dormer (all appointed by Hitachi) whether the Company had ordered a translation into English of the extensive documentation (in Italian) referenced, as a preliminary step leading to the aforementioned “*related decisions*” that the Board of Directors had been asked to take. It goes without saying that the response was in the negative, and this alone is sufficient to demonstrate the temerity of a clearly specious action taken with an ill-concealed attempt to intimidate.

I am not aware of the content of the resolution passed by the majority of the Board of Directors (I am awaiting the minutes, and if and when I receive them, I will proceed accordingly), but I learned from the press release (**Appendix 1**) – which was not decided on or approved by the Board of Directors – of the “*reprimand for certain behaviour of Mr Giuseppe Bivona, a director elected from the minority list submitted by the Elliott Funds, which constitutes a gross breach of his duties as a director, due to abuse of power and conflict of interest with the Company*” (Appendix 1).

From my perspective, I believe that these are unsubstantiated claims with a ‘vaguely’ menacing flavour – possibly also harmful to my honour and reputation, a subject on which I reserve the right to reflect further – as I stated a press release (**Appendix 10**) responding to the (incautious) statements of the person who was effectively responsible for writing, authorising and circulating a press release (Appendix 1) **whose 'paternity' I expressly request be disclosed.**

As is common knowledge, since the appointment of the current Board of Directors (13 May 2016), the management of the Company has been characterised by facts and circumstances – which I punctually reported to the Board of Statutory Auditors and the competent authorities – constituting a sufficient basis for suspicion of potential irregularities, such as:

- a) the failure to satisfy independence requirements by the board member de Benedictis, a member of the Nomination Committee and Chairman of the Related Party Committee<sup>4</sup>;
- b) the irregular formation of the committees as a result of the above, including the Related-Party Committee<sup>5</sup>;
- c) breach of the duty to due diligence imposed by the nature of the office and to act in an informed manner when passing resolutions appointing a new Managing Director<sup>6</sup>;
- d) breach of the related-party procedure adopted by Ansaldo STS pursuant to Art. 4 of Consob Regulation 17221 of 12 March 2010;
- e) failure to satisfy requests, or delayed satisfaction of requests, for information from the directors<sup>7</sup>;
- f) incomplete, inaccurate, contradictory, omissive or misleading statements made by the Company’s directors<sup>8 9</sup> and executives<sup>10</sup> to the directors;

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<sup>4</sup> As also objected by the Board of Statutory Auditors during the meeting of the BoD of 15 June 2016 and 27 July 2016.

<sup>5</sup> A mere consequence of the above point.

<sup>6</sup> It was the Chairman of the Board of Statutory Auditors himself who during the meeting of the BoD of 24 May 2016 belied the statement made by the Chairman of the Nomination Committee (Painter), who had stated that the appointment of Hitachi’s candidate (Barr) to the position of General Manager and Managing Director had occurred after “*long discussion*.” In response to a question from me, and not certainly without reflection, the Chairman of the Board of Statutory Auditors had clarified that the discussion had lasted “*half an hour*,” an amount of time that of course is not even enough to elect a condominium manager, and as such is indicative of a prior decision.

<sup>7</sup> As objected by the Board of Statutory Auditors in the minutes of 20 September 2016 (**Appendix 18**).

- g) delays and deficiencies in the drafting of the minutes for the meetings of the Board of Directors: **minutes of the meetings of the Board of Directors have no longer been circulated since the meeting of 5 August 2016 (included)**;
- h) decisions taken by the Managing Director in conflict of interest, in breach of the provisions of Art. 2391 of the Italian Civil Code, in the exercise of legal powers of representation aimed at requesting, among other things, the appointment of a special receiver<sup>11</sup> for the Company;
- i) concealment from the directors by the Managing Director of the existence of an agreement for legal counsel with the firm [REDACTED] for the benefit of board member de Benedictis<sup>12</sup>;
- j) systematic governance decisions that, in substance, have gradually deprived the Board of Directors of its powers (most recently, through the formation of a Bid Committee) and debased the role of the independent directors appointed by minority shareholders;
- k) discriminatory behaviour against the directors appointed by the minority shareholders, who were prevented from receiving legal assistance in the matter of the independence of Mr de Benedictis, although this was permitted (while, above all, concealing) for Mr de Benedictis<sup>13</sup>;
- l) failure to inform the directors and the market in a timely manner of the resignation of the manager responsible for company accounting documents pursuant to Art. 154-*bis* of Legislative Decree 58/98;
- m) the signing of settlement agreements with a value of approximately [REDACTED] euro for the termination of the employment of an executive reporting directly to the Managing Director, without the Board of Directors being informed thereof;
- n) an anomalous request to replace the independent auditors of Ansaldo STS (KPMG) with the independent auditors of the Hitachi Group (EY) in mid-December 2016, just a few days from the end of the financial year;
- o) breach of Art. 3.2.2 of the “*Procedure for the Management and Disclosure of Inside and Confidential Information*”;
- p) breach of Art. 3 (“*Activities of the Board of Directors*”) of the Policies and Procedures of the Board of Directors of Ansaldo STS and the powers granted to the Managing Director and/or the provision of untruthful information to the directors, with possible tax irregularities, relating to the payment of severance pay “*by way of voluntary redundancy incentive*” in return for an employee’s decision to leave the Company of his own initiative;

and lastly (but certainly not least importantly, and indeed this is a circumstance into which I once again promise to inquire further in the near future):

[REDACTED]

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<sup>8</sup> As also objected by the Board of Statutory Auditors during the meeting of the BoD of 24 November 2016 (Appendix 3) with regard to Managing Director Barr and board member de Benedictis for their behaviour during the meeting of the BoD of 11 July and 28 October 2016.

<sup>9</sup> Established (**but strangely not objected to**) by the Board of Statutory Auditors with regard to Chairman Dormer and Managing Director Barr, following the confirmation e-mails (dated 15 and 16 November 2016), which irrefutably indicated that the two of them were aware of the untruthful information provided to the directors in response to a question I asked (and repeated three times) the Company’s Human Resources Manager [REDACTED] during the meeting of the BoD of 24 May 2016.

<sup>10</sup> As objected by the Board of Statutory Auditors in the minutes of the meeting of 20 September 2016 (Appendix 18), for having given untruthful information in response to a question asked by Mr Bivona.

<sup>11</sup> As objected to as “worthy of reprimand” by the Board of Statutory Auditors in the minutes of the meeting of 20 September 2016 (Appendix 18).

<sup>12</sup> As objected by the Board of Statutory Auditors in the minutes of 20 September 2016 (Appendix 18) and during participation in the BoD of 24 November 2016 (Appendix 3).

<sup>13</sup> As objected by the Board of Statutory Auditors during the meeting of the BoD of 24 November 2016 (Appendix 3).

Although many of the issues raised were ultimately acknowledged and subject to reprimand by the Board of Statutory Auditors, out of the love of the truth it should be stated that the Board of Statutory Auditors intervened anecdotally, only after my appeals, but their actions took a long time and culminated in reprimands that (in my modest opinion) were relatively mild, considering not just the significance of the individual episodes, but also their frequency, continuity and pervasiveness.

This appears even more so if one considers the climate of conflict between the primary majority and minority shareholders and a governance structure entirely without respect for minority shareholders, i.e., a situation that demanded a particularly high level of attention.

On the basis of the evidence cited, it is entirely clear that my memoranda, far from constituting a “**gross breach of [my] duties as a director, due to abuse of power and conflict of interest with the Company**” (Appendix 1), firstly brought to light significant facts subject to reprimand by the Board of Statutory Auditors that otherwise never would have been discovered and secondly represented (and continue to represent) compliance with an obligation and satisfaction of the requirements for exemption from liability. In fact, the Italian legal system:

- places directors under an **obligation** “*to fulfil the duties imposed on them by law and the articles of association with the diligence required by the nature of their office and their specific competencies*” (Art. 2392 of the Italian Civil Code); and
- also establishes requirements for **exemption** from liability, because although the directors are jointly and severally liable with the company for damages due to failure to fulfil the duties imposed on them by the law and Articles of Association, “*nonetheless liability shall not extend to those who prove that they are not culpable and, where they were aware of the act about to be committed, registered their dissent*” (Art. 2476 of the Italian Civil Code).

### **III. Addition to the agenda: Communications from the Chairman concerning the disclosure of confidential information and anomalous share performance: any related decisions.**

The second additional item of the agenda of the meeting of the Board of Directors of 19 December 2016 concerned “*Communications from the Chairman concerning the disclosure of confidential information and the anomalous share performance: any related decisions*” (Appendix 9).

The Chairman, responding a press release issued on 2 December (**Appendix 16**), in clear reference to an article published on 1 December (**Appendix 17**) in *ILSole24Ore*, rightly objected to the systematic dissemination of information about the Company appearing in major Italian newspapers, a “poor habit” (and possibly an offence that should now be investigated) that began in November 2015 when Hitachi acquired control of the Company, as the examples cited from November 2015 to the present prove (**Appendix 11**).

With this in mind, in the illustrative documents distributed to the directors as part of the background information for deciding on the matter, the directors are informed that the Chairman would discuss “*the repeated dissemination of the Company’s confidential information, which appeared in Italian press outlets*” citing, among others “***the***



**matter of board member de Benedictis**' (Appendix 9), regarding which various information had appeared in the press (Appendix 11). This is all fine.

The Company then issued a press release **on 20 December at 8:30 AM** in which it informed the shareholders and the market that on 19 December the Board of Directors had unanimously approved the decision to "authorise Managing Director Barr to assess, in conjunction with a criminal lawyer of the Company's choosing, whether to file a complaint against third parties, in relation to the dissemination of the Company's confidential information" (Appendix 1). This is also completely fine.

On that same day (20 December), just a few hours after Ansaldo STS had issued the above press release (Appendix 1), [REDACTED], i.e. the company which Ansaldo STS, within the framework of the powers granted to Managing Director Barr, had engaged [REDACTED] on 1 September 2016 to provide "Support to the Institutional Affairs, External Relations & Communication department relating to the Company's communication activities" (Appendix 13) – sent several publications an e-mail message (Appendix 12) the subject line of which referred to the matter of the "independence of de Benedictis" **attaching** - as specified in the title of the message, "I am sending you the expert's opinion" - the opinion of Professor Angelici, a document submitted by the Secretary of the Board of Directors to the directors and the statutory auditors for the meeting of the BoD of 19 December.

Indeed, the next day (21 December 2016), *Milano Finanza* published a long article containing extensive quotations from Professor Angelici's opinion (Appendix 14), whereas *IlSole24Ore* (Appendix 15) published some references containing a few directly cited words ("...'at present' condition his independence of judgement..," Appendix 15), repeating what is stated in Professor Angelici's opinion while varying the word order ("condition at present his independence of judgement," Appendix 4).

**I am certain that at this point it cannot have escaped anyone's notice that this affair has a comic side: on the one hand, the Company objects to the "dissemination of the Company's confidential information, published in national press outlets" while on the other it disseminates them through its own PR firm!**

There can be no serious question that individuals within the Company – at this point it should not be difficult to identify them, in the end one would simply have to ask [REDACTED] from whom [REDACTED] received Professor Angelici's opinion **and then released it to the newspapers** – have shown that they have no interest in upholding confidentiality in general, but only a 'selective' interest: the Company's PR firm [REDACTED], **whose fees [REDACTED] are 51% borne by Hitachi and 49% by the minority shareholders,** selectively circulated the opinion "favourable" to the position taken by the directors appointed by Hitachi, but neglected to make any mention of that of Professor Mazzoni, who indeed was never cited (and yet again we need not wonder why).

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In consideration of all of the above, I would like to ask, respectfully, that:

- the Board of Statutory Auditors evaluate whether the assessment of the satisfaction of independence requirements by Mr de Benedictis was correct, as conducted by the directors appointed by Hitachi on 19 December 2016, in the light of the facts set out in Paragraph I, and also evaluate, including in the light of the contents of Paragraphs II and III, whether the conditions set out in Art. 2409 of the Italian Civil Code have been met;
- the Supervisory Committee determine that none of the behaviour that has been objected to constitutes a predicate offence for corporate criminal liability pursuant to Legislative Decree 231/2001;
- **Borsa Italiana inquire into the failure to comply with the provisions of Art. 37 of the Markets Regulation as grounds for suspension of the shares from listing<sup>14</sup>;**
- the Public Prosecutor's Office and CONSOB obtain the record of the proceedings of the meeting of the Board of Directors of 19 December 2016 and inquire into any breaches of laws and/or regulations, to the extent of their respective competence.

Please do not hesitate to contact me for any information or clarification you may require. I would like to take the opportunity to wish each of you and your families a merry Christmas and a happy new year.

Yours sincerely,

[Signed]

Giuseppe Bivona

Director, Ansaldo STS

#### **List of Appendices**

- Appendix 1 – Press release (20 December 2016)
- Appendix 2 – Opinion of Professor Alberto Mazzoni (18 December 2016)
- Appendix 3 – Participation of the Board of Statutory Auditors in the meeting of the BoD of 24 November 2016 (24 November 2016)
- Appendix 4 – Opinion of Professor Angelici (12 December 2016)
- Appendix 5 – Letter from Mr de Benedictis (27 October 2016)
- Appendix 6 – Letter from G. Bivona (3 November 2016)
- Appendix 7 – Opinion of Professor Tombari (6 July 2016)
- Appendix 8 – Opinion of Professor Marchetti, contained in the minutes of the Board of Statutory Auditors (21 July 2016)
- Appendix 9 – Addition to the Agenda of the Board of Directors of 19 December 2016
- Appendix 10 – Press Release by G. Bivona (22 December 2016)

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<sup>14</sup> “Failure to comply with the provisions of Art. 37 of the Markets Regulation is grounds for suspension of the shares from listing (see Title 2.5 of the Regulation for Markets Organised and Managed by Borsa Italiana S.p.A.)” (Professor Mazzoni, Appendix 4, p. 14).

- Appendix 11 – Examples of Press Articles from November 2015 to December 2016
- Appendix 12 – E-mails
- Appendix 13 – BoD Information Documents 28 October 2016
- Appendix 14 – *Milano Finanza* (21 December 2016)
- Appendix 15 – *Il Sole24Ore* (21 December 2016)
- Appendix 16 – Ansaldo STS Press Release (2 December 2016)
- Appendix 17 – *Il Sole24Ore* (1 December 2016)
- Appendix 18 – Minutes of the Board of Statutory Auditors (20 September 2016)

*For the attention of:*

Giacinto Sarubbi

Enrica Spinardi

Renato Righetti

**Board of Statutory Auditors of Ansaldo STS**

Nicoletta Garaventa

**Chairman of the Supervisory Committee of Ansaldo STS**

Raffaele Jerusalmi

**Managing Director**

Borsa Italiana S.p.A.

**Italian National Stock Exchange Supervisory Commission – CONSOB**

Via email: [consob@pec.consob.it](mailto:consob@pec.consob.it)

Corporate Governance Division

**CONSOB**

Via email: [dcg@pec.consob.it](mailto:dcg@pec.consob.it)

*Copy for information to:*

Public Prosecutor's Office

28 December 2016

Dear Sir/Madam,

**RE: Addendum to the Communication of 23 December 2016 (Resolutions passed by the Board of Directors of Ansaldo STS of 19 December 2016)**

In reference to my previous communication (“*Resolutions passed by the Board of Directors of Ansaldo STS of 19 December 2016*,” Giuseppe Bivona, 23 December 2016), I am forwarding the communication sent on 27 December 2016 by Mr Fabio Labruna, director of Ansaldo STS, to Chairman Dormer and Chairman of the Board of Statutory Auditors (**Appendix 1**). Mr Labruna’s objections fully bear out my account of 23 December 2016:

- the Press Release issued by Ansaldo STS on 20 December 2016 (**Appendix 2**) – “*in a wholly irregular fashion not ... circulated in advance (and not even afterwards) to all directors*,” where the “*reason for that decision*” (Appendix 1) is entirely too clear – is “***misleading***” (Appendix 1) because it neglects to mention other opinions available to the Board of Directors, which indicate that board member De Benedictis is not independent;

- with regard to the motion to reprimand me by Chairman Dormer, in the course of the discussion (during which, in the interest of fairness, I left the meeting in order to ensure greater freedom of action), although “*there were multiple requests during the meeting for precise, detailed information... about the circumstances that constituted a breach of his duties as a director,*” “**no circumstance of that nature was represented, despite the repeated requests**” (Appendix 1);
- with regard to the previous point, “*in the absence of clear, circumstantiated reasons*” the Press Release is “**solely intended to intimidate**” me and is “**misleading to the market, which has not received any circumstantiated information on the matter**” (Appendix 1).

To provide further context for the statements by board member Labruna, please recall that both Mr Labruna and myself were drawn from the same list and both appointed by the minority shareholders yet – in contrast to the attitude displayed by the “independent” directors appointed by Hitachi, who never (**I repeat: never, not even by mistake**), in nine meetings of the Board of Directors, voted differently from one another or differently from the votes cast by the non-independent directors appointed by Hitachi – on several occasions we expressed different opinions and voted differently on resolutions put to the directors, including during the meeting of the BoD of 19 November 2016. This is further support (if such support is necessary, which I do not believe to be the case, since the facts in question are clearly documented and verifiable) for the equally authoritative and independent account provided by Mr Labruna.

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On the basis of what I have learned from the above communication (Appendix 1), I would like to expand upon my requests presented in the letter of 23 December 2016, respectfully requesting that CONSOB order Ansaldo STS, pursuant to Art. 114 (5) of Legislative Decree 58/98 (the Consolidated Finance Act, or TUF) to correct/add to the information contained in the Press Release of 20 December 2016, and in particular:

- as regards “*the satisfaction of independence requirements by Mr Alberto de Benedictis*” (Appendix 2), that it specify that **(i)** the Board of Directors of Ansaldo STS was provided four opinions, two of which were requested by the Company’s executive directors from Professor Tombari (6 July 2016) and Professor Angelici (12 December 2016), and two of which were requested, respectively, by the Board of Statutory Auditors from Professor Marchetti (21 July 2016) and by myself from Professor Mazzoni (18 December 2016), and that **(ii)** the two opinions requested from the Company’s executive directors concluded that Mr De Benedictis satisfies the “independence” requirements, whereas the two opinions requested by the Board of Statutory Auditors and myself reached the opposite conclusion;
- as for the “*reprimand for certain behaviour of Mr Giuseppe Bivona*” (Appendix 2), that it specify the factual circumstances, in a precise, circumstantiated manner, or remove from the Company’s website a communication that is otherwise **misleading** to the market and an attempt at **intimidating** me.

I further ask that the Board of Statutory Auditors, as part of the inquiry already requested of it in the communication of 23 December 2016 regarding the correctness of the Board of Directors' assessment of the satisfaction of independence requirements by Mr de Benedictis, also consider the behaviour by the director in question during the discussion that led to the vote by the majority to "reprimand" me. If it is determined that Mr de Benedictis "went along" with a motion to reprimand me proposed by Chairman Dormer without any precise, circumstantiated information having been provided to the directors – although "*there were multiple requests during the meeting for precise, circumstantiated information... about the circumstances that constituted a breach of his duties as a director,*" given that "***no circumstance of that nature was represented, despite the repeated requests***" (Appendix 1) – I believe that the Board of Statutory Auditors should take this into account.

Finally, I ask both the Board of Statutory Auditors and CONSOB to do what is in their power to ensure that the minutes of the BoD of 19 December 2016 are forwarded by the Company **without delay**: **I would like to remind you that since the meeting of the BoD of 5 August 2016 (included) that the directors have ceased to receive the drafts of the minutes of the meetings of the Board of Directors, thereby effectively preventing the directors from exercising their right to challenge or simply add to/correct the minutes on the basis of their recollection of the events of the meeting. This is also a symptomatic situation that I do not hesitate to characterise as unacceptable and shameful for the board of directors of a listed company.**

As always, please do not hesitate to contact me for any information or clarification that you may require.

Yours sincerely,

[Signed]

Giuseppe Bivona

Director, Ansaldo STS

**Additional documents concerning the second item on the agenda: “Action for liability pursuant to Article 2393 of the Italian Civil Code against the director Mr. Giuseppe Bivona”**

In addition to the documents published on 4 January 2017, further to the request sent by the shareholders Elliott International L.P, The Liverpool Limited Partnership and Elliott Associates L.P. to the Company on 12 January 2017, the following legal opinions concerning the independence requisites of the director Mr. Alberto de Benedictis are filed in the website of the Company at <http://www.ansaldo-sts.com/it/governance/assemblea-azionisti/assemblea-nomina-revisore-legale-conti-2017>:

1. *pro veritate* opinion issued by Professor Umberto Tombari on 6 July 2016;
2. legal opinion issued by Professor Pier Gaetano Marchetti on 4 July 2016, requested by the Chairman of the Board of Statutory Auditors, Mr. Giacinto Sarubbi;
3. *pro veritate* opinion issued by Professor Carlo Angelici on 12 December 2016;
4. legal opinion issued by Professor Alberto Mazzoni on 18 December 2016, delivered from the director Mr. Giuseppe Bivona during the board meeting of 19 December 2016 and not examined from the Company’s board of directors.

Professor Cristina Brancato

Professor Avv. Silvia Turelli

Mr Enrico Mugnai

Mr Paolo Ferragina

Mr Alessandro Luciano

Ms Elena Iozzelli

Ms Gaia Gori

Ms Eugenia Tognocchi

Ms Francesca Migliorini

Mr Luigi Bevilacqua

Ms Francesca Degl'Innocenti

*English translation non approved by the Author*

### PRO-VERITATE OPINION

**SUMMARY:** Cases and Queries; 1. - Directors' independence under Article 147-ter, fourth paragraph of the TUF; 2. - (Continued:) The legislative requirements for independence (Article 148, third paragraph, TUF); 3. (Continued:) The independence requirements under Article 3 of the Corporate Governance Code issued by Borsa Italiana S.p.A; 4. (Continued:) The independence requirements under Recommendation 2005/162/EC; 5. – Assessment of whether the Ansaldo STS S.p.A. director Alberto de Benedictis fulfils the requirements for "*independence*"; 6. Assessment of whether the Ansaldo STS S.p.A., director Mario Garraffo fulfils the requirements for "*independence*"; 7. - Conclusions.

**Case and Queries** - "Ansaldo STS S.p.A.," (hereinafter also called "*Ansaldo*" or the "*Company*") is a joint stock company (*società per azioni*), with headquarters in Genoa, which "*directly or indirectly - by also taking shareholdings in companies and businesses - designs, manufactures, sells and installs rail and metro systems and related power systems, and provides maintenance and after-sales service therefor and for related power systems, as well as doing so for mechanical technology, electrical, electronic and software facilities and services, including telecommunications and rail facilities, railway signalling, supervisory and remote control systems, and providing the goods and services associated with these activities, as well as conducting studies and research in the field*



*of railway and urban transport sector-related technologies or doing so for the achievement of the company's purpose* "(see Articles. 2 and 4, of the Company Bylaws).

The Ansaldo "*majority*" shareholder is Hitachi Rail Italy Investments S.r.l., which holds 50.772% of the Company shares. It may also be of interest for the purposes hereof that the "*minority*" shareholders include Amber Capital UK LLP (hereinafter also called "*Amber*", which owns a 2.381% stake in Ansaldo), whereas Mr Paul E. Singer, who is, directly and indirectly, *general partner* of the *limited partnership* Elliott International LP, Elliott Associates LP and The Liverpool Limited Partnership holds a 20.048% stake in the Company (this information can be seen in [www.ansaldosts.com](http://www.ansaldosts.com) ).

On 7 June 2016, Giuseppe Bivona, who is a Company Board Member, sent to Giuseppe Maria Berruti, Carmine Di Noia, Anna Genovese, Paolo Troiano and Giuseppe Vegas of Consob, as well as to the Consob *Corporate Governance* Division Head, Maria Letizia Ermetes, and to the *Corporate Actions & Corporate Supervision* Division Head of Borsa Italiana S.p.A. (the Italian Stock Exchange), Livia Gasperi, a letter concerning the alleged "*violation of the Corporate Governance Code for Listed Companies*" by Ansaldo (hereafter the "*Bivona Letter*"), a self-regulatory code that the Company decided to adopt with the Board Resolution passed on 19 December 2006.

More specifically, the Bivona letter referred to "*certain resolutions passed by the Board of Directors of Ansaldo STS on 16 and 24 May 2016 that affected the functioning of the safeguards protecting the Ansaldo STS corporate governance structure and the proper running thereof, leading to potential risk for minority shareholders and creditors*". As far as we are concerned here, Director Bivona contested, among other

things, the fact that the Board Members Alberto de Benedictis and Mario Garraffo fulfilled the requirements of "*independence*".

Objections similar to those raised by Mr Bivona were also raised in two other letters: the first, signed by Amber bears the date of 8 June 2016 and was sent to Maria Letizia Ermetes, Head of the Consob *Corporate Governance* Division and of the Consob Corporate Control and Shareholder Rights Protection Office (hereafter also called the "*Amber Letter*"); the second, signed by Elliott Advisors Limited bears the date of 14 June 2014 and was addressed to the Consob President and Commissioners, as well as to the members of the Ansaldo supervisory board (hereinafter the "*Elliott Letter*").

As regards Mr De Benedictis, the Bivona Letter specifically challenges the resolution passed by the Board on 16 May 2016, which held that the former satisfied the independence requirements necessary to qualify him as "*independent*" within the meaning of Article 147-ter, fourth paragraph, TUF.

More specifically, it was argued in the abovementioned letter that such requirements were not fulfilled, since:

*“Mr de Benedictis worked for thirty-four years (from 1981 a 2015) in the Finmeccanica Group, holding until 2015 positions of responsibility (lastly running Finmeccanica UK) and; (ii) Hitachi took control of Ansaldo STS on 2 November 2015 thanks to the purchase of a controlling (40%) stake held by Finmeccanica.”*

According to Mr Bivona, it follows therefrom that Mr De *Benedictis* *“cannot be considered ‘independent’, even though he has declared that he is an individual that does not have ties and recently has not had ties, even indirectly, with the issuer [Editor’s Note - or with the parent company or with Ansaldo STS or with Hitachi] or with parties that have*

*ties with the issuer [Editor's Note - Finmeccanica] that are such as to currently influence his independence of judgment".*

In addition to the above, the Bivona Letter adds that *«the relationship between Finmeccanica and Hitachi is likely to jeopardise the said director's independence of judgement due to a pre-ordained interest which is in conflict with the minority shareholders' interests, as well favouring Hitachi. His independence has not been undermined by the roles of vendor and purchaser respectively played by Finmeccanica and Hitachi with reference to the said shareholding, but in the collusion between them that Consob has held to have taken place, by means of which such shareholding was sold to the minority shareholders' detriment.»* Furthermore, *“regardless of the collusion between Finmeccanica and Hitachi”, the latter are “tied to each other by contracts in the transport sector (the Breda Sale) that provide for Finmeccanica making payments to Hitachi worth hundreds of millions of Euros (Annex 9) upon achieving given turnovers and profits in the Hitachi rail sector, in which Ansaldo STS is also involved”*

Furthermore, even though Mr de Benedictis had until 2015 been tied *«to Finmeccanica», he «still has economic relationships with the Finmeccanica group. The said Director (i) declared, in fact, in the Board Meeting held on 16 May 2016 that he still had economic ties with Finmeccanica (...) and (ii) apparently has a sister (Mirta de Benedictis) who still works for the Finmeccanica Group (...).»*

According Mr Bivona, the above-described conduct would be enough to infringe Article. 3 of the Corporate Governance Code for Listed Companies and, more specifically, the application criterion 3.C.1.

Mr De Benedictis' lack of independence is claimed, finally, to find confirmation in the conduct adopted by him in his capacity of Ansaldo director, insofar as he *"passively complied with the instructions of the*

*Hitachi Rail Chief Executive Officer*", Alistair Dormer (who is also the chairman of the Ansaldo Board), in attributing certain duties to the Company's Board Members.

Objections similar to those raised by Mr Bivona were raised by Amber, which, in the abovementioned letter, states that De Benedictis "*was until 2015 a leading figure of Finmeccanica (CEO of Finmeccanica UK from 2006 to 2015, Senior Vice Chairman of Finmeccanica Corporate 1996 to 2015, with responsibility for business development and strategic finance)*" and adds that, in light of the fact that "*Finmeccanica was the main shareholder of Ansaldo STS only until 2006 and, thereafter, was still able to direct and subsequently coordinate the latter, it seems unrealistic that Mr De Benedictis has not had relations with the subsidiary (STS) in recent years. It seems, moreover, inappropriate that a key figure (until a few months ago) of the company that has colluded with Hitachi with a view to harming the Ansaldo STS minority shareholders (which, it must be borne in mind, still represent a significant part of the share capital)*" can be considered "*independent*".

The objections about Mr de Benedictis' independence raised in the Elliott Letter are essentially the same as those described above.

After having taken note of the Letters sent by the Mr Bivona, Amber and the Elliott Fund, Mr de Benedictis sent, in turn, on 20 June 2016 to Alistair Dormer and Giacinto Sarubbi, who were respectively Chairman of the Company's Board and Chairman of the Board of Statutory Auditors, a letter in which he described certain circumstances that were relevant to the case at hand.

As far as we are concerned, Director de Benedictis stated that, commencing from 1987, he has been «*employed by Finmeccanica*» and, more specifically, from 2005 he has been «*seconded to Finmeccanica UK, whose registered office is in the UK*», at which he «*held the office of CEO*

(...) until February 2015». He stated, moreover, that, during his career in the Finmeccanica group, he has «never held positions in Ansaldo STS» nor has he had duties «giving him responsibilities relating to» the Company. Mr de Benedictis also stated that «I have not played any role in the assignment by Finmeccanica S.p.A. of its stake» in the Company, nor has he «ever dealt with any contractual relationship between Finmeccanica Group companies and the Hitachi Group companies». As regards the relationship between the company of which the Director de Benedictis was CEO (Finmeccanica UK) and Ansaldo, the only ties existing between them «concerned the management of the services for two rooms leased by Finmeccanica UK to Ansaldo STS, which were located at Finmeccanica UK's offices in London».

As far as the position of Mirta de Benedictis (who is Mr De Benedictis' sister) is concerned, he stated that she had «served as the communications manager for the Finmeccanica subsidiary Selex Electronic Systems (...), until her transfer - as a result of the Finmeccanica Group being re-organised and the subsidiaries being merged into Finmeccanica S.p.A. - to the central Finmeccanica office, where she started working for Mr Monticelli, who was responsible for the Exhibitions, Fairs and Events business unit». To the best of Mr De Benedictis' knowledge, therefore, his sister «did not play any part (nor could she reasonably have done so in light of what her duties were) in Ansaldo STS being sold to Hitachi, nor did she have any relationship with Hitachi (...)».

As regards his «disputes with the Finmeccanica Group», Mr de Benedictis pointed out, lastly, that they had been «settled amicably (...) and concerned the failure to pay my social security contributions and the award of a severance indemnity».

The Bivona Letter also contested Mr Garraffo's fulfilment of the independence requirements, which the Board Meeting held on 24 May 2016 had, instead, held to have been fulfilled. Mr Bivona, in particular, argues that Mr Garraffo did not satisfy the aforementioned requisites *“for three reasons: (i) he has professional ties with General Electric, which is one of Hitachi's main industrial partners; (ii) he has kept silent and has behaved in a contradictory and reticent manner towards the Board that was called to ascertain whether he fulfilled the requirements of integrity, professionalism and independence; (iii) he has, as a matter of fact, shown himself not to be “independent” by systematically complying with the voting instructions given by the executive Board Members designated by Hitachi right from the start when he became an Ansaldo STS Board Member on November 2015.”*

As regards point (i), the Bivona Board Letter states that *«Mr Garraffo has had in the past and still has today professional ties with the General Electric Group, in which he has had important management assignments, including, between 1993 and 1998, the post of Chairman of General Electric Italy and Senior Advisor of General Electric Europe and, from 2012 to the present date, Board Member of GE Capital Interbanca. The relationship with the General Electric Group is essential for assessing Mr Garraffo's effective level of "Independence", since the General Electric Group and the Hitachi Group have very close business ties and, in certain sectors, are partners. I refer to the GE Hitachi Nuclear Energy joint venture, which has been active since 2007 and operates in all the world, with revenues of over one billion dollars being generated annually».*

The alleged omissions and reticence mentioned in point (ii) supposedly concern Mr Garraffo's conduct when he was asked *«at the Board*

*Meeting held on 24 May 2016 to report on his investments in private companies in Sicily which would have been useful information for the purpose of acquiring evidence about and evaluating the fulfilment of the requirements of integrity, professionalism and independence.”*

Amber's Letter also contested Mr Garraffo's independence and, with a view thereto, asked Consob «*whether there were strong business ties (also in the form of a Joint Venture) between the Hitachi group and the GE group, of which Mr Garraffo has been for years a leading figure and who still has the role of independent director in GE Capital Interbanca*» (hereafter “*GE C.I.*”). Amber adds that «*generally and all the more so in a situation such as Ansaldo STS' situation (...), substance should prevail over form. This means, in our view, that the assessment of independence should not be limited to the candidate's curriculum vitae or statements, but the assessment should also include an analysis of 'the substance' of the candidate's application and, therefore the behaviour in the past of the Board Member in question. We therefore sincerely hope that this Authority verifies whether the aforementioned director acted 'independently' during Board Meetings or whether he always limited himself to ratifying and approving the proposals submitted by the majority through its Directors who were part of the Board.*”

The objections raised about Mr Garraffo's independence are the same as those indicated in the Elliott Letter.

On 21 June 2016, Mr Garraffo, taking note of the letters sent by Mr Bivona and by Amber and Elliott, sent a letter (hereinafter the “*Garraffo Letter*”) to Alistair Dormer and Giacinto Sarubbi, who were respectively the Chairman of the Ansaldo Board of Directors and Board of Statutory Auditors, in which he stated that: «*I do not find myself in the situation provided for under Article 2382 of the Italian Civil Code nor do I have family ties or relationships of a financial nature whatsoever with the*

*individuals identified in the TUF. Similarly, the provisions of the Corporate Governance Code do not apply hereto, since I do not have (nor have I had recently) ties with persons linked to Ansaldo STS.»*

As far as the aforementioned Director's relationship with the «GE Group» was concerned, he stated that his «consulting contract with GE lasted from 2000 to 2007» (he was not employed by the latter); and «during the course of the professional activities conducted by» him, he «never dealt with the Hitachi, or with matters relating to Ansaldo STS. » He also pointed out that «GE Hitachi Nuclear Energy joint venture (...) is a separate Power division of GE, in which» he never worked and with which he never had any business relationship whatsoever.

«As regards my position as director of GE Capital Interbanca S.p.A.» he pointed out that the «contractual relations between GE and Hitachi do not involve GE Interbanca», of which he was an independent director.

The aforementioned letter also reveals the fact that, even though there was no «duty on the directors' part to give notice of the equity held by them in companies other than the issuer and its subsidiaries», Mr Garraffo stated that he held equity «in companies (...) that have no relationship whatsoever with Ansaldo STS or companies associated therewith, and are of such a marginal nature as not to affect, in any way whatsoever» the decisions taken by him elsewhere.

In the case at hand, which has been briefly described above on the basis of the documents provided to me (which include only the letters specifically mentioned above), I am required to deliver an opinion on whether Alberto de Benedictis and Mario Garraffo fulfil the requirements for qualifying as "independent" directors for Ansaldo STS S.p.A., pursuant to Article 147-ter, fourth paragraph of the TUF and the Corporate Governance Code.



1. **Directors' independence under Article 147-ter, fourth paragraph of the TUF** - At the outset, I will address the conditions that must be fulfilled in order for a director to qualify as "*independent*" pursuant to Article 147-ter, fourth paragraph, TUF. Given that the directors in question are different from other members of the management body precisely because of the presence of this particular feature, it is clear that the rules laid out in order to assess the fulfilment thereof are of central importance to this matter.

Nevertheless, account must also be taken of the "*uncertainty and sometimes confusion that exists on this matter*" (FERRO-LUZZI, IN *Indipendente... da chi; da che cosa?*, (*Independent ... from whom, from what?*), *Riv. Soc.*, 2008, 204).

Experience shows that "*any notion that seeks to codify the independence requirement or to summarise all the specific conditions that could lead to a director no longer being considered to be independent*" is substantially inadequate (so much so that the legislation governing such matter is unquestionably one of the most critical "*regulatory*" aspects concerning directors (see REGOLI, *Gli amministratori indipendenti e i codici di autodisciplina, in La governance nelle società di capitali a dieci anni dalla riforma (Independent directors and corporate governance codes, in Companies' corporate governance ten years after the reform)*, edited by Vietti and coordinated by Marchetti and Santosuosso, Milan, 2013, 142; see also *Ibidem*, (*Gli amministratori indipendenti, in Il nuovo diritto societario*) *Independent directors in the new company law*, Liber amicorum G.F. Campobasso, edited by Abbadessa and Portale, 2, Turin, 2006, 407 et seq.; MICHIELI, *La gestione del conflitto d'interessi nelle operazioni con parti correlate (Management of conflicts of interest in transactions with related parties)*, Milan, 2016, 228 et seq.).

Despite these significant elements of uncertainty, it is an undisputed fact (which is of relevance here) that the "*independence*" of the directors is not "*measurable* (ex post) by *assessing the board's voting patterns and, in particular, the frequency with which their opinion has differed from the executive directors' opinion*": This behaviour is not necessarily symptomatic of a want of "*independence*", since directors can conduct themselves in this manner when they consider it appropriate, on the basis of their prudent appreciation, consistent with the company's best interests (STRAMPELLI, *Sistemi di controllo e indipendenza nelle società per azioni (Control systems and independence in joint stock companies)*, Milan, 2013, 93 s.).

First of all, the concept of "*independence*", which is to be understood in general terms as independence of judgment and the duty not to pursue interests other than (and in addition to) the company's interests, is a characteristic of any director (see Corporate Governance Code, Comment to Article 3).

The "*independence*" requirement which is being dealt with here - which is required by the special regulations on listed joint stock companies and which must be fulfilled by at least one member of the management body (or two, if such body is composed of by more than seven directors) - is different from that which has been described above.

More specifically, pursuant to Article 147-ter, fourth paragraph of the TUF, the aforementioned directors must fulfil the requirements provided under Article 148, third paragraph of the TUF and, in the event that the Bylaws so provide, the additional requirements established in corporate governance codes drawn up by regulated markets asset management companies or trade associations.

An analysis of the aforementioned legislation reveals that Italian law has not expressly provided for *ad hoc* independence requirements for

directors, but has merely referred to the legislation on statutory auditors and the aforementioned corporate governance codes. In the event that the company adopts these private regulations, therefore, the latter become legally binding, so much so as to lead to the resolutions appointing those independent directors who do not meet (or no longer meet) the criteria laid down therein not being valid and to the latter being removed from office (STRAMPELLI, *op. cit.*, 193 et seq.).

The independence requirements described here must, therefore, necessarily be examined on the basis both of the legislative provisions and private regulations (see, in this sense, among others, REGOLI, *Gli amministratori indipendenti tra fonti private e fonti pubbliche statuali*, (*The rules on independent directors contained in private regulations and provisions of law*), in *Riv. soc.*, 2008, 388 et seq.), or the provisions of Article 148, fourth paragraph, TUF (and, what is more interesting here, the provisions of the Corporate Governance Code issued by Borsa Italiana S.p.A.; see, *Case and Queries*).

**2. (Continued:) The legislative requirements of independence (Article 148, third paragraph, TUF)** - As mentioned, the legislative requirements for the independence of Directors coincide, as a result of Article 147-ter and Article 148, third paragraph of the TUF, with those set out for statutory auditors. More specifically, these provisions identify the "*negative*" requirements, that is to say those cases in which, should they occur, there is a presumption by law that the person in question is not independent. The contrary argument is, therefore, that in the presence of circumstances other than those expressly mentioned, the judgment concerning the independence of a director (or a statutory auditor) can be positive.

As regards cases of “*lack of independence*”, the rule laid down by Article 148, third paragraph, letter a) of the TUF firstly entails that the position of independent director cannot be covered by those who are in one of the conditions described in Article 2382 of the Italian Civil Code, and namely circumstances in which the minimum requirements of “*capacity*” (that is to say persons who are not disqualified or incapacitated) or integrity (that is to say persons who have not been declared bankrupt, who have not been disqualified, even temporarily, from public offices or who are not unable to exercise executive duties) – which Italian corporate law deems necessary in order to carry out the duties to be performed by the management body and the control body of joint stock companies – cannot be fulfilled.

Pursuant to Article 148, paragraph three, letter b) of the TUF, spouses, relatives and in-laws within the fourth degree of directors of the company in question, as well as directors of subsidiaries, of parent companies and companies that are subjected to joint control or persons who share with such directors one of the previously mentioned family ties are equally incompatible with the statutory auditor’s office (and thus with the office of independent director)

Finally, the third and final category provided for under the law that is symptomatic of “*lack of independence*” is applied to those who have ties to the company or to the said company’s subsidiaries or to parent companies or to companies that are subjected to joint control, or to the company’s directors and to the persons provided under Article 148, paragraph three, letter b) as a result of freelance work contracts with the Company or as a result of being employed by the Company or having other relations of an economic or professional nature which jeopardise their independence [see Article 148, paragraph three, letter c) TUF. The wording of the provision, therefore, seems to hint that

the existence of such relationships does not automatically imply a negative judgment on the director's lack of independence, but requires such a conclusion to be reached where the facts of the case are such as to lead to an assessment being made in this sense (See PISANI MASSAMORMILE, Appunti sugli amministratori indipendenti (*Notes on independent directors*), *RDS*, No. 2/2008, page 245 et seq.).

**3. (Continued:) The independence requirements under Article 3 of the Corporate Governance Code issued by Borsa Italiana S.p.A.-** The Corporate Governance Code provides, firstly, that independent directors are those *«that do not have ties and have not recently had ties, including indirectly, with the issuer or with parties that have ties with the issuer that are such as to currently influence their independence of judgment»* (Corporate Governance code, Principle 3.P.1.).

Secondly, a set of specific non-exhaustive cases are indicated, which, as a rule, lead to an assessment of the directors' "*lack of independence*" being made. It follows therefrom that, in observance of the principle of "substance over form" (see Corporate Governance Code, Application Criterion 3.C.1), the Board could, in the light of expressly mentioned circumstances, still consider a director independent. It is equally possible, however, that a director could be considered "*lacking independence*", even when the typical situations provided for under the relevant provisions do not occur (see Corporate Governance Code, Commentary to Article 3; See, also STRAMPELLI, *op. cit.*, 196; REGOLI, (*Gli amministratori indipendenti*), *The Independent directors in Il nuovo diritto delle società (the new company law)*, cit., 410 et seq.).

The different "*approach*" that distinguishes the self-regulatory provisions from the legislative provisions is clear from the foregoing: The cases covered by the latter are "*irrebuttable presumptions*". The former,

however, merely indicate some specific cases, and provide for the possibility (in light of the specific traits of the case at hand) that the occurrence of such cases might not necessarily lead to concluding that the Director in question “*lacks independence*” (see CNDCEC, *Rules of conduct for listed companies’ board of auditors*, Q.1.4, concerning the importance of the specific circumstances of the case and, therefore, the importance of conducting a “*case by case*” assessment of the auditors’ independence; see as far as the legal scholars are concerned, among others, CHIAPPETTA, *Diritto del governo societario - La corporate governance delle società quotate, (Rules on Corporate Governance - Listed companies’ corporate governance)*, 2013, 149).

The typical cases mentioned by Application Criterion 3.C.1 of the Corporate Governance Code include those situations in which the issuer is directly or indirectly controlled and significant influence can be exerted on the latter or a shareholders’ agreement can be entered into by means of which one or more parties can control or exert significant influence over the said issuer; an appointment has been made in the current financial year or in the previous three financial years that allows the person in question to be qualified as being a “*key figure*” (i.e., President, Chairman of the Board of Directors, Executive Director or Manager with Strategic Responsibilities) of the issuer, of a subsidiary having strategic importance, or a company under common control together with the issuer, or a company or an entity that, together with others, controls the issuer or is able to exercise considerable influence on it (directly or indirectly, in the current or previous financial year); a significant business, financial or professional relationship with the issuer, a subsidiary thereof, or with someone having a significant position therein or a significant business, financial or professional relationship with a person that, including together

with others controls the issuer, or a significant business, financial or professional relationship with the issuer's key figures or with a person that is, or has been, (in current or the previous three financial years) an employee of one of the aforementioned parties; the earning (in the current financial year or previous three financial years) of a "*significant*" additional remuneration compared to the remuneration received as director or committee member; the holding of the office of director for a term of more than nine out of the last twelve years; the holding of the office of executive director in another company in which the issuer's executive director holds office as a director; the holding of shares or the performance of management duties on behalf of a company or an entity belonging to the network of the firms appointed to conduct the external audit on the issuer; the existence of a "*close family*" relationship with a person who finds itself in one of the situations described above.

With regard to the case that has been considered above, the Comment to Article 3 of the Corporate Governance Code makes it clear, firstly, that the parents, children, spouses (unless legally separated), the cohabitees and family members living with the director should not be considered independent. In this regard, however, it is always appropriate to rely on the Board's discretion, which, in view of the factual circumstances, might consider even a close family relationship to be irrelevant.

With regard to the "*business, financial and professional*" relations, the choice not to identify specific criteria for judging the relevance thereof is based, once again, on the need to grant to the board broad discretion to assess these relationships according to their significance (both in absolute terms and with reference to the economic and financial situations of the persons concerned; see Corporate Governance Code, Comment to Article 3).

**4. Continued:)** **The independence requirements under Recommendation 2005/162/EC** - Given that the legislative and self-regulatory requirements often pose complex interpretive questions, useful indications for determining the criteria by which to solve these problems can be found in Recommendation 2005/162 (see, in relation thereto, RIGOTTI, under *Article 2399*, in *Commentario alla riforma delle società (Commentary to the company law reform)*, directed by Marchetti and others, edited by Ghezzi, Milan, 2005, 51, et seq.).

More specifically, this legislation, in the broader context of an enhancement of the role and duties of independent directors (and in a perspective not dissimilar to that adopted by the Corporate Governance Code), provides for a general criterion to assess the independence of directors, and provides for some typical case in which one can usually infer the lack of independence.

In light of the aforementioned general criteria, a director should only be considered independent if he/she is free of any business, family or other ties with the company, its controlling shareholder or the management of either, which is capable of causing a conflict of interest that could affect his judgment (see paragraph 13.1, Recommendation 2005/162/EC). The typical cases (which have been set out considering, on the one hand, that listing comprehensively all the situations that can pose a threat to the director's independence is impossible and, on the other hand, that a theoretical "*lack of independence*" could, as a result of the specific features of the case, lead to an opposing conclusion) are listed in Annex II of the aforementioned Recommendation.

For the relevant purposes here, the aforementioned cases include situations in which executive duties have been performed in the Company and any affiliated company in the current or previous five financial years; the director is (or has been in the previous three years)



an employee of the company or an affiliated company; is (or represents) a controlling shareholder; receives substantial additional remuneration; has had, in the current or previous financial year, a "*significant business relationship*" (which includes being a significant supplier of goods or services, including financial, legal and consulting services, being a major customer or being an organisation that receives significant contributions from the company or its group) with the company or an affiliated company, either directly or as a partner, shareholder, director or officer of a body having such business relationship; is (or has been in the last three years) a partner or employee of the company's external auditor or an affiliated company's external auditor, or is an executive director or managing director of another company in which an executive director or a chief executive officer of the company is a non-executive director or member of the supervisory board, as well as having other significant ties with executive directors of the company due to positions held in other companies or bodies; has served as a non-executive director for more than three terms of office (or, alternatively, for more than twelve years in cases where national law provides for a very short duration for company officers' terms of office).

**5. Assessment of whether the Ansaldo STS S.p.A. director Alberto de Benedictis fulfils the requirements for "*independence*";**

In light of the above, it is possible to determine whether, on the basis of the aforementioned documentation (as well as the previously described legislative framework), the Directors Alberto de Benedictis and Mario Garraffo can be considered to satisfy the requirements necessary to qualify as "*independent*" directors pursuant to Article 147-ter, fourth paragraph, TUF and the aforementioned Corporate Governance Code.

To this end and in light of what has been observed above (see above under no. 1. et seq.), we will have to check whether there appears to be a typical legislative or self-regulatory case of “*lack of independence*” and, in any event, in a broader perspective, whether the directors currently have, or have recently had, relations that could currently affect their independence of judgment with the issuer or persons associated with it. In the event that such assessments are negative, a conclusion can be reached as to the directors being independent.

Analysing, first of all, the position of the Director de Benedictis, it should be immediately noted that, based on the documentation provided, there does not seem to any situation (provided for under the law) of “*lack of independence*”. It seems reasonable to reach the same conclusions with reference to the self-regulatory rules, with respect to which, at present and on the basis of the information that has been provided, there does not appear to be any relationship with the issuer or persons linked to it that might compromise aforementioned Director’s independence of judgment. The aforementioned assessment is conducted on the basis of the general principle of “*substance over form*”, which, by its very nature, is inevitably debatable and, therefore, uncertain.

More specifically, a different conclusion cannot, as far as we are concerned, be reached when one considers the relations between Finmeccanica UK, Ansaldo and its key officers or subsidiaries (as described in the de Benedictis Letter). The finding that the said Director “*did not have in 2015 significant business, financial or professional ties, in his capacity of managing director of Finmeccanica UK, either with Ansaldo STS, or with any of its subsidiaries or with the parent company*” was of decisive importance for the Board and led to it concluding that he fulfilled the independence requirements.

More specifically, the de Benedictis Letter reveals that the only relationship between Finmeccanica UK [a company of which, until 2015, he was "*a key figure*" within the meaning of the application criterion provided for under 3.C.1, letter. c) of the Code] and Ansaldo concerned the provision of services relating to two rooms being rented out to the Company at the London offices of Finmeccanica UK (which does not seem to fulfil the criterion of "*significance*" needed in order that such a relationship can lead to the director being judged to "*lack independence*").

The irrelevance of the aforementioned relationship between Finmeccanica and Ansaldo UK is all more evident when considering the fact that the case contemplated by the Application Criterion is identical to the one provided for under paragraph 1, letter e) of Annex II to Recommendation 2005/162/ EC, which, for the purpose of judging the "*lack of independence*" of a director, considers decisive the existence in the previous year of a "*significant business relationship*", which, as has been already noted, includes the "*situation of a significant supplier (...), of a significant customer, and of organisations that receive significant contributions from the company or its group*". The renting of the two rooms to Ansaldo does not seem to fit such mould.

The assessment of independence of the Director de Benedictis remains unaffected by the Finmeccanica Group's obligations towards him (which, in the meantime have been defined) for the payment of social security contributions and the payment of compensation as a result of the termination of the employment relationship in 2015. Even though the "*Group*" company which had undertaken the aforementioned "*obligations*" has not been clearly identified, such obligations do not appear, in any event, to be too significant for the purpose of the assessment that has to be conducted: the regulatory framework

concerning the independence requirements (as described above) does not reveal the existence of relationships ("*obligations*") with the previous parent company, or with individuals who maintain financial, economic and business ties with the current "*parent*" company that are likely to affect a director's independence.

These considerations are confirmed when, as required by the Corporate Governance Code, we examine the "*substance*" of the obligations that have specifically been undertaken: their nature (which, we must insist, relates to social security contributions and the award of damages relating to a previous employment relationship with the Finmeccanica Group) seems, in itself, unlikely to lead to the Director de Benedictis being held not to be "*independent*" from Ansaldo.

The relationship between Ansaldo, its key managers, its subsidiaries and other companies of the "*Finmeccanica Group*" other than Finmeccanica UK appear to be irrelevant for the purposes of assessing Mr de Benedictis' independence, to the extent that (from what transpires from Mr de Benedictis' Letter) the latter does not have with them (nor has he had in the previous financial year) any relationship that is relevant for the purposes of the legislative and self-regulatory provisions governing such matter.

The relationships between Mirta de Benedictis and Finmeccanica (which is a company by which she is employed) equally do appear to be decisive for the purpose of the assessment to be made here. Suffice it to remember that, the cases in which the Corporate Governance Code presumes there is a director's "*lack of independence*" include a close degree of familiarity with a person who is described in one of the other symptomatic cases [see Application criterion 3.C.1, letter. h)], which should include, by way of principle, parents, children, spouses (unless legally separated), the cohabitees and family members living with the

director (this does not include a sister who is not living with the director, such as Mirta de Benedectis).

Regardless of the above, the Comments to the Corporate Governance Code recommend, in judging the relationships with "*close relatives*", to rely on the board's "*prudent assessment*". If we add to this the repeatedly invoked principle that, in assessing the independence of directors, we must properly consider the "*substance*" of the relationship in question, the irrelevance thereof (for the purpose of assessing Mr de Benedectis' "*lack of independence*") is all the more evident when considering the specific tasks entrusted in Finmeccanica to Mirta de Benedectis, who works in the "*Exhibitions, Fairs and Events organisational unit*" and, as far as Mr de Benedictis is aware "*did not have - nor could she reasonably have, by virtue of her duties – any role in the sale of Ansaldo STS to Hitachi, nor has had relationships with Hitachi (...)*".

Finally, in accordance with what has been observed previously (see above, paragraph 1), we cannot conclude that Mr de Benedictis' "*lacked independence*" merely on the basis of the opinions expressed and the votes cast by the latter when performing his duties as Company director: the mere fact that his conduct was the "*same*" as that of the Chairman of Ansaldo does not exclude the fact that Mr. Benedectis acted in a certain manner only because he was convinced that this was in the company's interest.

#### **6. Assessment of whether the director of Ansaldo STS S.p.A. Mr Mario Garraffo fulfils the requirements for "*independence*"**

Examining Mr Garraffo's position on the basis of the at our hands, there does not appear to be the "*lack of independence*" provided for under the

legislative or self-disciplinary provisions, or at least, relationships that are such as to influence his independence of judgment. It must be reiterated, however (also in this case) that the considerations relating to the independence requirements under the Corporate Governance Code (which also rely on general provisions and "*flexible*" assessment criteria) have, by their very nature, an unavoidable margin of discretion and, therefore, uncertainty.

In light of the above, I find that - when examining the professional ties existing between Mr Garraffo and GE CI (in which he acts as an independent director) - I cannot reach here a conclusion that is different from the one reached above. The documents that I have consulted show that there are no financial, business or professional ties between this company and Ansaldo, its subsidiaries or key figures thereof, that are such as to lead to the conclusion that he "*lacks independence*" from the Company. In making such assessment, however, it must be repeated that no weight can be attached to any relations involving other companies connected with the "*GE Group*" (with which Mr Garraffo currently does not have and has not had relations in recent years), since they are of no relevance in assessing his independence.

As regards, instead, the equity held by Garraffo Director in some companies, the finding that the latter has "*no relationship whatsoever with Ansaldo STS or companies associated therewith, which are of such a marginal nature as not to affect, in any way whatsoever, the decisions taken by*" him elsewhere (*see Garraffo Letter to the Board, 3*), is of a decisive nature.

Finally, as far as the position taken by Mr Garraffo is concerned, it must be reiterated that no evidence regarding this "*lack of independence*" can be inferred from the latter's conduct as Company director. More specifically, the fact that he allegedly "*always complied with the vote of*

*the executive directors appointed by Hitachi” can* in no way exclude the possibility that this conduct was determined solely by the fact that he deemed such course of action to be more appropriate for Ansaldo’s interests.

**7. Conclusions** - Based on the factual circumstances (as described in the aforementioned documents) and the regulatory framework set out above, it is reasonable to conclude - notwithstanding the unavoidable degree of subjectivity and discretion involved in assessing whether the independence requirements have been fulfilled – that Alberto de Benedictis and Mario Garraffo fulfil the necessary requirements and qualify as “*independent*” directors of Ansaldo STS S.p.A., pursuant to Article 147-ter, fourth paragraph, TUF and the Corporate Governance Code.

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The foregoing considerations come, as things stand, within the scope of the opinion required of me. I remain at your disposal for further information or clarification that may be possibly needed and I thank you for the trust accorded to me.

Kind regards

Florence, 6 July 2016

(Professor Umberto Tombari)

PROF. PIERGAETANO MARCHETTI  
PROFESSOR EMERITUS AT BOCCONI UNIVERSITY

Dr. Giacinto Sarubbi  
Chairman of the Board of Statutory Auditors  
ANSALDO STS

A question has been put to me regarding whether Director Alberto De Benedictis meets the necessary independence requirements.

Here are a few, very brief observations both from the viewpoint of the Corporate Governance Code and of Art 147-*quater*/148 of the TUF (Consolidated Law on Finance) on the basis of the *curriculum* and what I have been told.

#### Corporate Governance

The important aspect (which in my opinion subsumes and overrides all others) is the fact that in the previous three financial years AdB was a “prominent figure” (managing director) of a company (Finmeccanica UK) of strategic relevance, under the common control of Finmeccanica, along with Ansaldo STS.

This situation qualifies as one of the typical cases in which the Corporate Governance Code presumes a lack of independence (Article 3(c.1)(b)).

It could be argued that by the word “parent” or “controlling company”, the Code (also in order to identify the specific case of the companies under common control) is referring to the company which **currently exercises** control. In other words, it could be argued that the impediment to independence does not apply in the event of a change in control.

Subject, naturally, to the principles of prevalence of substance over form and the non-absolute character of presumption of the specific case of the Corporate Governance Code, the relevance of the senior position in the previous three-year period also in the former controlling company has a precise logic, in that the Code considers that anyone who, in the recent past, had held a senior position in the entity (or in the group of the entity) that “was in charge of” the company as a controlling company cannot have independence of judgment even if the controlling company has



changed. The individual now appointed as director might in fact have an interest in some way in “defending” operations or people of the issuing company respectively carried out by or introduced to the issuer during the period under the previous controlling company with which the new director at that time had relations.

The circumstance which is an impediment to independence - that of being a prominent figure of the issuer in the previous three-year period even if the ownership structures were quite different from the current ones - is based therefore on a rational element, and the fact that the change of control happened (the transfer of the control package is the driver which triggered the takeover) because of a contractual relationship with the former controlling company reinforces the rational grounds for the interpretation whereby senior positions which are an impediment to independence may also apply to the predecessor of the current controlling company.

The Corporate Governance Code does not distinguish between a senior position and a senior position in the group of the (former) controlling company, and includes people who as a rule have no direct power to determine the subsidiary’s choices (think of the senior manager of the “sister company”). It presumes a solidarity of interests among all senior managers and thus loyalty and allegiance towards the choices which one or more of them directly carried out, and therefore that risk of “defending prior choices” which undermines independence prior to the three-year cooling-off period.

#### TUF (Consolidated Law on Finance)

Art 148 (3) of the TUF does not appear to attribute importance to previous relationships. If, however, AdB still has relationships with the former controlling company the situation could be different, since the reasons why the prior relationships are relevant for the Code could apply also in this case. A director who still has relations with the former controlling company could have an interest in defending operations or employees of the issuer which can be traced back to the former controlling company. However, it does not appear that the purely liquidation-related outcomes of a job position constitute relevant relationships. Nor does this appear to be the position of AdB’s sister company.

PROF. PERIGAETANO MARCHETTI

Conclusion

AdB probably cannot be considered independent within the meaning of the Corporate Governance Code, but for the TUF (including in light of current practices) he probably can, providing there are no outstanding significant and active relations with the controlling company.

In order to define a director as independent, the Ansaldo STS Articles of Association do not require possession of the requirements of the Code. Thus the requirements of the TUF are sufficient (Article 148(3)) as required by law (Article 47-ter(4)). Indeed, the Articles of Association (Article 16) make specific reference to the legal requirements.

The failure to fulfil the requirements of the TUF within the meaning of Article 147-ter(4) leads to forfeiture.

A failure to meet the independence requirements of the Corporate Governance Code, providing the requirements of the TUF remain in place, does not lead to forfeiture but does require disclosure (at the time of verification and in the company board report) that such requirements have not been met.

Milan, 4 July 2016

Signature

*Prof. Avv. Carlo Angelici*  
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To:

Ansaldo STS s.p.a.

HEAD OFFICE

**Re. *Pro veritate* opinion on the issue of independent director**

1. I have been asked to issue my *pro veritate* opinion on the position of one of your company's board directors, Mr. Alberto de Benedictis, with particular reference to whether or not he qualifies as an “independent director” in accordance with current regulations.

To this end, I have received the following documents:

- the current bylaws of the company;
- two letters of Mr. de Benedictis, dated respectively 20 June and 27 October 2016, addressed to the chairman of the company and to the chairman of the board of auditors;
- excerpts from the minutes of the board meetings held on 27 July and 21 November 2016;
- the minutes of the meeting of the board of auditors held on 21 July 2016;
- a letter of director Bivona addressed to the board of auditors dated 3 November 2016;
- two opinions on this subject of Professors Piergaetano Marchetti and Umberto Tombari.

After examining the aforesaid documents, by way of introduction it should be noted that the question basically concerns the assessment of a number of factual elements which appear to be accepted:

1. that Mr. de Benedictis was a senior executive of Finmeccanica s.p.a. and, in particular, from 2005 until February 2015, he worked as chief executive officer of Finmeccanica UK Ltd.;

2. that, under an agreement of February 2015, in November 2015 Finmeccanica s.p.a. ceased owning shares in your company (Ansaldo STS), as it had transferred them to Hitachi Rail Italy Investments s.r.l., its current majority shareholder;

3. that, after the termination of his employment with Finmeccanica s.p.a., Mr. de Benedictis had an (out-of-court) dispute with it, which now appears to have been settled (on 5 July 2015, so it appears);

4. that Mr. de Benedictis' sister, Mrs. Mirta de Benedictis, had apparently worked (and, as a matter of fact, it is not clear to me whether she still works) as an employee of the Finmeccanica group.

Therefore - and this is how I consider I should interpret the task with which I have been entrusted - it is a matter of verifying whether these circumstances are such as to warrant, or not warrant, acknowledging that Mr. de Benedictis satisfies the "independence" requisite: this will clearly hinge on the relevant provisions in this respect, i.e. the fourth paragraph of Art. 147-*ter* of the TUF (Italian Finance Act - Legislative Decree no. 58 of 24 February 1998), where it refers to the requisites laid down for auditors in the third paragraph of Art. 148, and Art. 3 of the Corporate Governance Code adopted by the *Corporate Governance* committee of the Italian Stock Exchange.

I am of the view that, if we are to address the question with the necessary rigour - in view of its importance, and also in view of the need to compare notes with the divergent opinions of two expert colleagues such as Professors Marchetti and Tombari - we should analytically consider the factual and legal aspects of the matter one by one, and on this basis try to identify, as precisely as possible, the interpretative issues they raise.

2. In this respect, I think that it is fair to say that the circumstance highlighted in point 3 above is not such as to acquire any autonomous relevance.

It seems clear to me that the fact, *per se*, of having settled with Finmeccanica a number of disagreements regarding his previous employment with it, is not such as to acquire relevance as far as Mr. de Benedictis' "independence" is concerned. Indeed, the opinions of Prof. Marchetti and Prof. Tombari clearly tie in with this.

The settlement in question in fact took place at a time in which there was no longer any relationship between Finmeccanica and Ansaldo STS: therefore, this settlement cannot - *as such* and seen on its own - bear in any way on the director's autonomy of judgment in carrying out his duties at the latter company.

This point seems obvious to me. There would have been no reason to raise it if it had not been that it enables us to identify with greater precision the crucial point of the matter on which I have been asked to issue my opinion.

In particular, we need to reflect on the following point: the aforesaid settlement took place *formally* between a director of Ansaldo STS and an entity, Finmeccanica, which *at that time* was in the position of *a third party* both vis-à-vis the company and also vis-à-vis other companies of the group to which it belongs. Clearly it is not plausible, in principle, that dealings with third parties (in the sense that they are currently extraneous to the company and the group) can compromise the independence of a director.

This banal observation may be sufficient in order to appreciate what the central issue of this matter is: the doubt, which lies behind all the positions I have had a chance to examine, as to whether Finmeccanica can really be considered for these purposes a "third party", and as to whether instead relevance should be attached to the circumstance - surely *bygone and no longer present* - that previously it had had what was essentially a controlling interest in the company on whose board of directors Mr. de Benedictis sits.

Further confirmation that this, above all, is the point to be analysed can be drawn from the observation that only in such a perspective could the circumstance highlighted in point 4 above hypothetically acquire relevance (a circumstance to which, it should be said, the documents submitted to my scrutiny do not pay particular attention; correctly, I think, for the reasons explained further on). It is in fact clear that the position of Mr. de Benedictis' sister as an employee in the Finmeccanica group could acquire relevance in this context only by highlighting the fact that Finmeccanica, though *now* a "third party" in relation to Ansaldo STS, *had been* its parent company, and by recognising that this, too, can be sufficient to question the independence of a director.

3. The points raised above allow us to focus on an aspect which should be considered absolutely preliminary and crucial when it comes to evaluating the matter

submitted to my scrutiny: the aspect of whether, and on what terms, *bygone matters* can acquire relevance for the purposes of the *current* assessment of whether or not Mr. de Benedictis is independent.

This also applies to the evaluation of the circumstance that is undoubtedly of far greater relevance in this context and also the most debated: the circumstance that Mr. de Benedictis had been a senior manager of the Finmeccanica group and chief executive officer of Finmeccanica UK.

This ultimately leads to the problem (I repeat: preliminary) of whether there is any relevance - and if so what relevance - in the fact that, when he was appointed a director of Ansaldo STS, Mr. de Benedictis *was no longer* a senior manager of the Finmeccanica group and, moreover, Finmeccanica *was no longer* the parent company of STS.

In this respect, I feel more inclined to share the approach adopted in the opinion of Prof. Marchetti, who starts by focusing on the possible relevance of bygone situations, rather than that of Prof. Tombari's opinion, which addresses, above all, the issue of whether or not the senior role formerly played by Mr. de Benedictis in the Finmeccanica group was strategically significant. I consider, and in this respect feel sure, that this issue could acquire relevance only after we have convinced ourselves that bygone, and no longer current, situations can also be of relevance when it comes to assessing the independence of a director.

By this I mean - and I consider that there is no need to go into this point any further - that the reply to the question put to me calls for a logical roadmap consisting of two separate phases: first, to clarify by interpretation whether, and on what terms, relevance can be acquired by events preceding the directorship that have exhausted their effects; and after this, to ask, but only in the case of a positive response to the first question, whether the concrete matters under review correspond factually to those identified by the norm in question .

4. On the basis of the above, I am inclined to agree in full with the opinion according to which, *on the basis of the TUF rules* - (emerging from the combined provisions of the fourth paragraph of Art. 147-ter and letter c) of the third paragraph of Art. 148) - when it comes to assessing the independence of a director, relationships that have completed their course should not be considered.

This point is specifically acknowledged in Prof. Marchetti's opinion, where we find the incisive words that "*Art. 148, no. 3, TUF does not appear to attach relevance to bygone dealings*" and thence concluding that, for the purposes of that norm, Mr. de Benedictis' previous dealings with the Finmeccanica group cannot, as such, compromise his independence as a director of Ansaldo STS.

Besides, the literal meaning of the provision, where - to negate the independence - it refers to persons "who *are* linked to the company or companies ....", seems unequivocal in this respect.

It should also be noted that, in the particular case, it does not appear to be necessary to address the matter mentioned in Prof. Marchetti's opinion, when it is pointed out that if Mr. de Benedictis "still had dealings with the former parent company the situation could change": because in actual fact, quite apart from whether this observation is right (we will come back later to this point and to the argument used in its support), the existence of any such dealings does not emerge in the documents in my possession (and, what is more, the manner in which his position as a senior executive in the Finmeccanica group came to an end would appear to make this highly improbable).

In the same perspective, I feel inclined to agree in full with the two further observations of Prof. Marchetti, which moreover now seem to be accepted, according to which: "The mere outcome in terms of payments due on termination of employment would not appear to constitute dealings of relevance. And this applies also to the position of AdB's [Alberto de Benedictis] sister".

5. Therefore, the matter submitted to my scrutiny consists basically of interpreting, and applying to the particular case, the Corporate Governance Code of the Italian Stock Exchange, and in particular Art. 3 on the precise issue of independent directors.

So, basically what we need to do is ask ourselves - just as the two opinions of Prof. Marchetti and Prof. Tombari do - what role can be played, for the specific purposes we are here examining, of the principle of the code contained in point 3.P.1 and of the application criteria contained in points 3.C.1. letter *b*) and 3.C.2.

Following the above approach, we need to first ask ourselves whether, on which terms, and within which limits, this set of rules attaches relevance to *bygone matters*, such as the matter we are now discussing with regard to Mr. de Benedictis.

Therefore, the interpretation of the application criterion contained in point 3.C.1, letter *b*) is crucial: according to this criterion, a director “usually does not appear independent” in cases, among others, where “he/she is, *or has been in the preceding three fiscal years*, a significant representative of the issuer, of a subsidiary having strategic relevance or of a *company under common control with the issuer ...*”. Whereas the problem - addressed above all by Prof. Tombari in his opinion, of whether the position as CEO of Finmeccanica UK is such as to warrant acknowledging the position of “significant representative” under the 3.C.2 application criterion - can actually only arise if we accept that the previous application criterion *also* applies to hypotheses in which, such as that under review, not only does such a position no longer exist, but the control relationship also exists no longer.

It goes without saying, that is, that the Corporate Governance Code, unlike the TUF, refers also to bygone situations, such as, specifically, that of having been a “significant representative” in the past three financial years. But when we refer to a position in the parent company, we need to ask ourselves whether the *additional* eventuality that it is still a parent company should be considered in the same way.

Therefore, I believe that Prof. Marchetti’s approach is quite correct when he specifically asks himself whether “the Code intends to refer - when it uses the term parent company (and in this context companies under common control are also included) - to the company that **currently exercises** control”: and he points out that, “in other words, it could be objected that the cause impeding the independence ceases if there has been a change of control”.

6. If we share this approach, I think that it is then possible to formulate a number of considerations which, in my opinion, justify drawing conclusions different to those of Prof. Marchetti: i.e. that the change of control over Ansaldo STS, which actually took place before Mr. de Benedictis was appointed its director, rules out, as such, the possibility that his previous position in the group that previously exercised control invalidates the independence requisite.

In particular, I wish to point out as follows:

6.1. In literal terms, it appears that an indication along these lines can be drawn from the very formulation of principle 3.P.1 i.e. the principle, of which the provisions of 3.C.1, letter *b*) are intended to serve as an application criterion, and obviously they



cannot therefore lead to interpretative consequences that diverge from the principle itself.

Reference is in fact made, in 3.P.1, to dealings that take place, or have taken place, *with the issuer or with entities linked to the issuer*. Literally, this could also mean that - even though these may be bygone dealings - the circumstance that the issuer, or an entity linked to it, is a party to such dealings, must be current.

Equally significant could be the fact that, in order to negate the requisite of a director's independence, "dealings such as to *currently* influence his autonomy of judgment" must be involved. Quite apart from ever uncertain and improbable psychological assessments, this would appear to mean that the relationship and/or at least the positions of the parties to it are in some way objectively current.

6.2. I realise, however, that these literal elements cannot settle the matter completely even though they are, in my opinion, of a certain relevance. They need to be completed by broader considerations and, in particular, included in a broader perspective that takes account of both the general characterisation of the requisite of the "independence" of directors and the role which, to this end, can be played by the application criterion contained in 3.C.1, letter *b*).

In this respect, I think that, in this context, we need to highlight, in particular, certain elements that emerge in the definition provided by principle 3.P.1:

- Firstly, that "independence" is interpreted as "autonomy of judgment" and that, correlatively, "non-independence" is inferred from the existence of dealings which are such as to influence it "currently": this immediately implies that the possible relevance of bygone matters presupposes that they are such as to still (and, I would say obviously, in *current* terms) influence the decision-making processes of the director and restrict that autonomy.

Autonomy of judgment means, ultimately (obviously, I would say), independence from external influences: consequently, if we are to exclude it, we need to identify a position - an external position - that is such as to make it possible to effectively exercise such an influence. On closer examination, the consequence of this is that it is not easy to see such a situation in a party which had, but no longer has, a position of control.

- Secondly, and in order to further analyse the perspective we have just mentioned, it should be noted that the application criteria contained in 3.C.1, including the one set out in letter *b*), are specifically intended to operate "*usually*" (see the first

paragraph). This clearly means that the listed hypotheses are not mandatory; but it also means, equally clearly, that we should not confine ourselves to formal details but rather consider the general function of the rules.

By this, I mean that, if that autonomy of judgment is certainly a central element of these rules, meaning independence from someone else's influence; if, just as certainly, it cannot simply be the fact of being designated by the majority that leads to such an autonomy being excluded (in which case we would come to the extreme result - which, as far as I can see, has never been proposed - of excluding the requisite of independence for all majority directors); if all this is right, then I inevitably come to the conclusion that the hypothesis envisaged in letter *b*) is justified - especially as far as positions in other companies of the group are concerned - as a result of two combined factors: first, that there is a position of control, which, *per se*, already makes it possible to exercise an influence; and second, that, *additionally*, the person concerned occupies a role as an "important exponent" in the group, thanks to which the influence already implicit in the position of control is strengthened.

Ultimately I consider, in this perspective, that the system that emerges from these observations is characterised by the fact that we need to *add* to the relationship of control, which *per se* concerns the company as a whole, a further element that specifically concerns the individual director, namely the fact that he is, or has been, a "significant representative" in the group: with the consequence, I consider, that the latter aspect is of relevance in that it is in addition to the former and cannot be used to make up for its absence.

6.3. But, above all, I consider that the points raised above mean that we have to read the director's independence (and, correlatively, his non-independence) as a requisite which I would define as *situational*, not limited - and more importantly - not limitable, to his position as far as specific problems are concerned.

What I mean is that this independence and this autonomy of judgment are of relevance if we consider the director *as such*, that is to say the general function with which he is entrusted; they are not necessarily excluded because it is possible that his decisional choices concerning specific problems may be influenced by external factors.

The point is clear to see if we consider that the issue of independence cannot be confused with, and must be kept clearly distinct from, that of the conflict of interest (which arises, typically, in connection with specific operations and which, just as typically, may apply to the individual concerned or to third parties, and maybe even to a

parent company): in the precise sense that the independence has to do with a general position of the individual, i.e. the fact that there are no dealings which, *generally speaking*, may affect his autonomy of judgment, but this certainly does not, and cannot, rule out the possibility, for some issues, of a conflict of interest of relevance within the meaning of Art. 2391 of the Civil Code.

Basically, it is necessary - and the points raised above inevitably lead to this - to distinguish between independence as a general attitude of the individual in participating in the executive function and the conflict of interest in participating (not in the executive function, but) in a specific decision relating to a specific problem: see, for an important indication in this respect, P. FERRO-LUZZI, *Indipendente .. da chi; da cosa?*, in *Riv. Società*, 2008, 204 (on p. 206).

It also follows that the possibility for some issues of envisaging the latter aspect, the conflict of interest, does not, *per se*, and cannot, imply negating the former aspect, i.e. that of the director's independence.

7. This latter, crucial consideration leads me to conclude on a basis opposite to that of Prof. Marchetti's opinion.

That opinion well perceives the need to explain how two bygone situations - that of having been a "significant representative" in a group and the fact that the company in question belonged to that group - can "currently" influence the autonomy of judgment of a director. But it provides an explanation which, in my opinion, is not coherent with the system I have tried to recap above and is, therefore, unconvincing.

According to this explanation, in cases such as the one under review, the person "may not have independence of judgment even if the parent company has changed": he "could in fact somehow have an interest in "defending" operations or persons of the issuing company"; this is, it is added, because the Code "presupposes a solidarity of interests among all the top level figures and an ensuing allegiance and loyalty towards the choices which one or more of them may happen to make directly and, consequently, the risk of "defending prior choices", which undermines his independence before the three-year cooling period".

I would however note as follows:

7.1. Empirically speaking, as it were, it is significant that the conditional tense is used in these expressions and that it is specifically stated that "the principles of prevalence of substance over form and of the not wholly presumptive nature of the case

covered by the Corporate Governance Code” remain unchanged. In concrete terms, this ought at least to mean that we need to go beyond the formal definition of the specific case, by ultimately ascertaining whether the specific circumstances of the individual case warrant justifying such a “presumption”.

This need for concrete assessment is quite clear and cannot be denied when, as in the specific case, the position of “significant representative”, and the position of parent company in which that position was occupied, are no longer current. To this end, we should at least ask ourselves whether the circumstances in which the former of these positions was abandoned are such as to warrant justifying the presumption of a sort of “continuance” of the “solidarity of interests among all the top managers” (which, I would add, incidentally, can more than legitimately be doubted in view of the fact that the relationship with the former parent company ended in an out-of-court dispute and a settlement).

7.2. But it is not really necessary to tackle this factual investigation. I feel, rather, that, if the matter boils down to the possible relevance of a *risk of “defending bygone choices”*, by definition such a risk is not such as to compromise the independence requisite of interest here.

To be sure of this, suffice it to consider that the fact of “defending bygone choices” can only arise in the event of having to adopt decisions which such bygone choices could alter. It cannot therefore concern the director’s position in general and his autonomy of judgment, but only, if at all, his participation in single and specific decisions.

If we were to consider otherwise, this would be tantamount to thinking that all corporate activity ultimately consists of a continuous debate on whether to defend or combat earlier choices: when it goes without saying that, in the course of corporate activity, the issues covered change continuously and dynamically.

It follows from all this that also the possibility of “defending bygone choices” could at the very most (but on the basis of an assessment that considers the particular case and the specific decision) be of relevance for the purposes of Art. 2391 C.C., i.e. the set of rules regulating conflicts of interest. But it does not concern - as it does not involve the general position of the director - his independence and autonomy of judgment, as required by the Corporate Governance Code.

8. Finally, I wish to note that the line of interpretation adopted to date is perfectly suitable in terms of confirming the consistency of a solution under which the fact of having been a “significant representative” may continue to compromise the independence of a director for three financial years after the appointment came to an end, whereas the situation of control is only of relevance during the period of the directorship: this leads to the consequence, crucial in this context, of the fact that if currently the situation of control does not exist, the first issue loses significance.

It is certainly no surprise that of the two requisites considered in criterion 3.C.1. letter *b*), one has a sort of “continuance” which is instead not allowed for the other. It is certainly plausible that, if one is a “significant representative” of a group, and if one is appointed director of a group company, this may come about as a result of a business choice which in this way aims to pursue the group’s policies in the best possible way, thereby even influencing the thus appointed director. Such an evaluation may be recognised, and even presumed, in cases where the position of director is entrusted to a former important exponent or where this capacity has ceased in the course of fulfilling the executive assignment (and it is indeed significant, to this end, that the time limit for this sort of “continuance” is three financial years, which is precisely the maximum duration of such an assignment).

But an analogous “continuance” of the control requisite is certainly not plausible. In this case, indeed, it is hard to see why a former parent company should wish, or be able, to influence the acts of one its former “significant representative” as a director of a company that no longer belongs to its group, hence distorting his autonomy of judgment and independence.

It is in fact symptomatic that, in order to reach such a conclusion, in one respect we have to evoke psychological aspects, such as those attributable to vague sentiments of allegiance and loyalty, unlikely to be perceived and easy to dispute in the specific case, and in another respect, we have to make reference to a risk of “defending bygone choices”. A risk which could not, however, concern a problem of the director’s independence, but only - in that it refers just to decisions in which the “bygone choices” are called into question and not the general position of the director - a problem of the possible application of Art. 2391 of the Civil Code (verifying, that is to say, whether the specific hypotheses of its prerequisites effectively arise).

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On the basis of the explanation provided above, I therefore believe that I can confidently rule out - on the basis of the documents I have received - the possibility of objections arising as to whether Mr. de Benedictis satisfies the requisites as an independent director of Ansaldo STS. I say this on the basis both of the requisites established in the TUF and of the requisites set out in the Corporate Governance Code. This conclusion is my opinion *pro veritate*.

I am clearly at your disposal for any clarification or further information you may require. I thank you for the trust accorded to me and remain,

Yours sincerely,

Prof. Avv. Carlo Angelici

Rome, 12 December 2016

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## OPINION

### 1. QUESTION AND PREAMBLE

On 13 December 2016, I was asked to express an opinion on the following:

*“Whether Mr. Alberto De Benedictis, a director of Ansaldo STS S.p.A., appointed by resolution of the shareholders’ meeting of 13 May 2016, is in possession or not of the requirements of independence under applicable laws (Article 147-ter(4) and Article 148(3) of Legislative Decree no. 58 of 24 February 1998 and Article 37(1)(d), and paragraph 1-bis, of the Consob Regulation adopted by Resolution no. 16191 of 29 October 2007) and by the Corporate governance Code of listed companies.*

*If he is found not to be in possession of the aforesaid independence requirements, what are the obligations (and resulting responsibilities) of the board of directors and the board of statutory auditors”.*

I can start by saying that, in light of both the time constraints on my analysis and the outcomes – to a certain extent open – this opinion concentrates solely on the first part of the question (that is on the part – on which all else hinges – regarding whether or not Mr. Alberto De Benedictis possesses the requirements of independent), without investigating the legal consequences arising from it.

I would also specify that, not having been granted the time normally allowed for the preparation of a written opinion on such a complex matter as the one brought to my attention, in the arguments which follow I will be less detailed than would have been theoretically preferable, but I am reasonably confident, however, that the clarity of the considerations set forth has not suffered too much as a result.

Part I  
PRELIMINARY ASPECTS

2. DOCUMENTS EXAMINED

In order to answer the question put to me, I examined the following documents, assuming – with regard to both the documentation received in copy and that publicly available on the company website of Ansaldo STS S.p.A. (“**Ansaldo**” or “**Company**”) – that it is genuine and conforms with the original documentation:

- (i) Ansaldo’s Articles of Association;
- (ii) Procedure for transactions with related parties adopted by Ansaldo;
- (iii) Solemn affirmations and certificates of affidavits signed by Mr. Alberto De Benedictis (hereinafter just “**Mr. De Benedictis**”) for the purposes of placing him on the list of candidates for the appointment of members to the Ansaldo Board of Directors filed by the controlling shareholder, Hitachi Rail Italy Investments S.r.l., (“**Hitachi**”) (the “**List**”),
- (iv) *Curriculum vitae* of Mr. De Benedictis filed together with the List;
- (v) Minutes of the Ansaldo shareholders’ meeting of 13 May 2106;
- (vi) Minutes of the meetings of the Ansaldo Board of Directors of 16 May 2016, 24 May 2016, 15 June 2016, 11 July 2016, 27 July 2016 and an excerpt from the minutes of 24 November 2016 regarding the intervention of the Chairman of Ansaldo’s Board of Statutory Auditors on point 3 of the items on the agenda;
- (vii) Minutes of the meetings of the Ansaldo Board of Statutory Auditors of 21 July 2016 and 20 September 2016;
- (viii) Minutes of meetings of Ansaldo’s Nomination and Remuneration Committee of 15 February 2015, 4 March 2016, 15 March 2016 and 23 May 2016;
- (ix) Letter of 7 June 2016 sent by Mr. Giuseppe Bivona to Consob, Borsa Italiana S.p.A. and Ansaldo’s Board of Statutory Auditors;
- (x) Letter of 14 June 2016 sent by Elliott Advisors (UK) Limited to Consob, Ansaldo’s Board of Statutory Auditors, Ansaldo’s Board of Directors and to Borsa Italiana S.p.A.;
- (xi) Letter of 20 June 2016 sent by Mr. Alberto De Benedictis to the Chairman of the Board of Directors and to the Chairman of Ansaldo’s Board of Statutory Auditors;
- (xii) Letter of 8 August 2016 sent by Mr. Giuseppe Bivona to Ansaldo’s Supervisory Board, the Board of Statutory Auditors and to Consob;
- (xiii) Letter of 27 October 2016 sent by Mr. Alberto De Benedictis to the Chairman of the Board of Directors and to the Chairman of Ansaldo’s Board of Statutory Auditors;
- (xiv) Letter of 3 November 2016 sent by Mr. Giuseppe Bivona to Ansaldo’s Board of Statutory Auditors;
- (xv) Complaint pursuant to Article 2408 of the Italian Civil Code of 23 November 2016 lodged by Elliott International L.P., The Liverpool Limited Partnership and Elliott Associates, L.P. to Ansaldo’s Board of Statutory Auditors;
- (xvi) Opinion issued on 4 July 2016 by Professor/Notary Piergaetano Marchetti (as incorporated by reference in the minutes of the meeting of the Board of Statutory Auditors of 21 July 2016);



- (xvii) *Pro veritate* opinion issued on 6 July 2016 by Professor Umberto Tombari;
- (xviii) *Pro veritate* opinion issued on 12 December 2016 by Professor Carlo Angelici;
- (xix) Memorandum of understanding of 19 May 2016 between Ferrovie dello Stato, Ansaldo, Hitachi and Astaldi S.p.A.;
- (xx) Minutes of the hearing of 14 October 2016 in the matter pending before the Genoa Ordinary Court – Section IX, Civil Court (R.G. no. 9696-1/2016 between the Elliott, Ansaldo and Hitachi funds.

### 3. **BACKGROUND TO THE MATTER AND METHOD OF INVESTIGATION**

The specific subject brought to my attention is part of a complex and still open matter which involves multiple aspects of Ansaldo's current corporate governance. In short, a number of institutional investors and minority shareholders of Ansaldo, (hereinafter, collectively, the "**Funds**") and their directors have taken formal steps criticising the work of the Ansaldo Board, which they have submitted for the attention of the Board of Statutory Auditors, the Supervisory Authority and Borsa Italiana S.p.A. These initiatives followed the contested mandatory takeover bid for Ansaldo made by Hitachi after the acquisition, completed on 2 November 2015, of the 40.47% holding in the share capital of the Company previously held by Finmeccanica S.p.A. ("**Finmeccanica**"). This acquisition is also the subject of a pending lawsuit, in which the Funds are in opposition to the acquirer.

My opinion comes after those expressed on this subject by three of my illustrious Colleagues (in chronological order, Professors Marchetti, Tombari and Angelici) since the beginning of July of this year and with emphases – and at times also conclusions – which vary significantly.

It seems to me, however, that although there are distinctive marked traits between them, the opinions issued prior to my own all share the same methodology, which places them on a markedly different level to the one which I have deemed appropriate to adopt. In short, the opinions of my abovementioned Colleagues carry out their analyses almost exclusively on the basis of the subsistence (assessed theoretically in law) of the requirements of independence. This being the approach chosen by my Colleagues, I am of the belief that the assessments they made are not conclusive, since verification of the independence requirement (of a director who is required to be such) requires – in general and even more so, as will be shown, in this specific case – an examination in terms of not only the law but also (and above all) in terms of *de facto* conduct.

I believe, having briefly alluded to the conclusions I have come to, that on the basis of an overall assessment, which takes account, in addition to juridical/formal elements, also of the facts – and, particularly, of the factual context in which Mr. De Benedictis' appointment came about, as well as the circumstances following the aforesaid appointment (some of which, in fact, had not been put forward at the time of the drafting of the first two opinions) – that there are sufficient elements to paint a picture which is highly symptomatic of a lack of the requirements of independence on the part of Mr. De Benedictis.

PART II  
ANALYSIS AND ASSESSMENTS

4. **POSITION AND THE DECLARED DUTIES OF MR. DE BENEDICTIS HELD AND CARRIED OUT PRIOR TO HIS APPOINTMENT AS A DIRECTOR OF ANSALDO**

The position and roles of Mr. De Benedictis in the time prior to his appointment as a member of the Ansaldo Board of Directors may be described on the basis of the representations and warranties made in the documentation I had the opportunity to examine:

- (a) From 1987, Mr. De Benedictis was an employee of Finmeccanica, in the role of manager; from 2005 he was seconded to Finmeccanica UK (“**Finmeccanica UK**”) in London, where he occupied the role of managing director until February 2015, when he left the Finmeccanica Group;
- (b) On the basis of the representations made by Mr. De Benedictis, the only relationship between Finmeccanica UK and Ansaldo involved management services for the lease to Ansaldo of two rooms at the Finmeccanica UK offices in London;
- (c) Mr. De Benedictis’ exit from the Finmeccanica Group came about as part of a complex reorganisation of the Group by the new management, and was not by agreement, and in fact gave rise to an out-of-court dispute having to do with the termination of the employment relationship;
- (d) The above dispute, which concerned a failure to pay social security contributions and the award to Mr. De Benedictis’ of an indemnity for the early termination of his contract, was settled amicably in July 2016;
- (e) Mr. De Benedictis has declared that he has never occupied roles at Ansaldo or roles which placed responsibilities on him with regard to Ansaldo, including taking part in the transaction for the sale of the Ansaldo stake to the Hitachi Group or the management of contractual relations between companies of the Finmeccanica Group and companies of the Hitachi Group;
- (f) Mr. De Benedictis’ sister, Ms. Mirta De Benedictis, was the manager in charge of communications for Finmeccanica’s subsidiary, Selex Electronic System S.p.A. until the time of her transfer to Finmeccanica’s central headquarters after the incorporation of said company. Following the transfer, Mr. De Benedictis’ sister went to work for the head of the “Exhibitions, Fairs and Events” department. Based on the declarations of Mr. De Benedictis, there was never any hierarchical relationship between brother and sister;
- (g) Again, on the basis of the declarations made by Mr. De Benedictis, following his departure from the Finmeccanica Group, he was contacted by a headhunter appointed by Hitachi to select possible candidates for the Board of Directors of Ansaldo.

## **5. THE APPOINTMENT OF MR. DE BENEDICTIS AS DIRECTOR OF THE COMPANY AND THE ROLES TAKEN ON AFTER SUCH APPOINTMENT**

As a candidate on the List, Mr. De Benedictis was appointed as a director of Ansaldo during the shareholders' meeting of 13 May 2016. At the same time as accepting this appointment, Mr. De Benedictis made statements – without qualifications or limitations of any kind – to the effect that he fully met all of the independence requirements necessary for taking on the role of director, that is, pursuant to Articles 147-*ter*(4) and 148(3), of Legislative Decree no. 58 of 24 February 1998 (the “TUF” or “Consolidated Law on Finance”), Article 37(1)(d), paragraph 1-*bis* of the Consob Regulation adopted by resolution no. 16191 of 29 October 2007 (“**Markets Regulation**” or “**Markets Reg.**”) and Article 3 of the Corporate Governance Code of the listed companies of Borsa Italiana S.p.A. (“**Corporate Governance Code**” or “**CGC**”).

At its meeting of 16 May 2016, the Ansaldo Board proceeded to check whether Mr. De Benedictis was in possession of the independence requirements, by resolution adopted by a majority vote following objections regarding the actual existence of the aforesaid requirements raised by directors representing the minority shareholders. In a manner which we will come back to later on, (below at paragraph 8.1) it subsequently turned out that Mr. De Benedictis had called on the services of a legal advisor<sup>1</sup>, whose fees were to be paid by Ansaldo, to counter the objections raised about whether he met the independence requirements or not.

Having been confirmed in his role as independent director, Mr. De Benedictis was appointed Chairman of the Control and Risk Committee (which performs the functions of the Transactions with Related Parties Committee) and a member of Ansaldo's Nomination and Remuneration Committee.

Subsequently, Mr. De Benedictis assumed the role of Vice-Chairman of the Ansaldo Board, replacing the (executive) director, Ms. Katherine Mingay.

## **6. THE RELEVANT LEGAL FRAMEWORK**

An analysis of whether or not Mr. De Benedictis meets the independence requirements must be conducted in light of the following sources of law:

- (i) the combined provisions of Articles 147-*ter*(4) and 148(3) of the TUF;
- (ii) Article 3 of the Corporate Governance Code.

I would remind you, on the one hand, that the provisions of Ansaldo's Articles of Association relating to the composition of the Board of Directors (at Article 16) state that a minimum number of candidates to be voted onto the Board of Directors list must meet the independence requirements enshrined by the TUF<sup>2</sup> (as well as those of the Corporate Governance Code); (b) on the other hand, that Ansaldo has publicly announced its

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<sup>1</sup> Specifically, Mr. Bruno Cova, partner of the Paul Hastings Law Firm.

<sup>2</sup> Specifically, Article 16.3 provides that every list must include two candidates “who meet the independence requirements required by law”.

compliance with the Corporate Governance Code (as far as I can see from the evidence, without derogating either totally or in part from Article 3 of the CGC).

I furthermore note that the independence requirements contemplated by Article 3 of the CGC are significant not only for the purposes of corporate governance compliance, but also for the purposes of compliance with important regulatory provisions, and in particular:

(i) for the purposes of compliance with the provisions of Article 37(1)(d), and paragraph 1-*bis* of the Markets Reg., applicable to Ansaldo as it is a company subject to management and coordination<sup>3</sup>; and

(ii) for the purposes of compliance for transactions with related parties, set out in the regulation adopted by Consob by resolution no. 17221 of 12 March 2010 (“**Consob Transactions with Related Parties Regulation**” or “**Consob Transactions with Related Parties Reg.**”), as applied by the Company pursuant to its own internal procedure<sup>4</sup>.

## **7. EVALUATION OF THE POSITION OF MR. DE BENEDICTIS PURSUANT TO THE COMBINED PROVISIONS OF ARTICLES 147-TER(4) AND 148(3) OF THE TUF**

Not being able, for the reason indicated in the preamble, to enter into a very complex and detailed examination, I will merely point out that a check on the independence requirements, as provided for pursuant to Article 147-*ter*(3) of the TUF, produces two sets of underlying findings.

The first finding concerns the primary legislator’s decision to adopt a “negative” definition of independence – which is understood as an absence of specific relationships/connections (or that may only appear that way) such that they compromise

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<sup>3</sup> Activities carried out by Hitachi Ltd, a company listed on the Tokyo Stock Exchange. Of interest to us here is that Article 37 of the Markets Reg. provides as follows: *The shares of subsidiaries subject to the management and coordination of another company or entity cannot be admitted for trading on an Italian regulated market if the subsidiaries [...]:*

*d) do not have an internal control committee composed of independent directors as defined by paragraph 1-bis. Where they exist, the other committees recommended by codes of conduct on the subject of corporate governance issued by the companies managing regulated markets or by professional associations must be composed of independent directors. Subsidiaries subject to the management and coordination of another Italian or foreign company with shares listed on regulated markets are also required to have a board of directors mainly composed of independent directors. For the purposes of this letter, persons who occupy the role of a director within a company or entity which exercises management and coordination either in the listed subsidiaries controlled by such company or entity [...] cannot be classified as independent directors.*

And paragraph 1-*bis* referred to above specifies that, for the purposes of Article 37 “independent directors” are understood to be (a) directors in possession of the independence requirements set forth in Article 148(3) of the TUF and of any other requirements identified in the procedures provided for under Article 4 of the regulation adopted by resolution no. 17221 of 12 March 2010 on transactions with related parties or required under any industry regulations applicable due to the business carried on by the company; (b) if the company declares that it complies with a code of conduct issued by companies which manage regulated markets or by professional associations which require independence requirements at least equivalent to those specified in Article 148(3) of the TUF, the directors recognised as such by the company pursuant to that code.

<sup>4</sup> Ansaldo’s procedure for transactions with related parties entrusts the role of the Related Party Transaction Committee to the Control and Risks Committee established pursuant to the Corporate Governance Code and having the characteristics laid down therein (including, thus, to list the number of directors meeting the independence requirements provided for in Article 3 of the Corporate Governance Code).

independence of judgement – instead of a “positive” definition that independence<sup>5</sup> subsists. In truth, this characteristic – that is, the “negative” rather than the “positive” definition of the criteria for defining independence – is also present in the definition in the Corporate Governance Code, but in this latter case the definition is in any case connotated by a higher degree of flexibility<sup>6</sup> and has been further adjusted by a series of editorial devices adopted by the Committee that drafted the CGC (see below).

On the other hand, the second finding is connected to the parallel nature which reference to Article 148(3) made in Article 147-ter(4) of the TUF creates between the person of the statutory auditor and the person of the (independent) director; this parallel nature, it must be recognised, does not take account of the difference in the role of an external controller and that of a director who, although not an executive director, still plays a part in management, which would require a particularly high independence of judgement, given the delicate nature of the duties which the law confers on independent directors<sup>7</sup>. It is widely agreed that this particular independence of opinion when taking part in and evaluating management activities is anything but guaranteed in itself by reference to the requisites required of members of the Board of Statutory Auditors<sup>8</sup>.

Consideration of the two frameworks set out above finds, in the final analysis, that the TUF’s definition of independence is very weak and, consequently, that the results of the investigation are not very reliable in terms of their effectiveness. In essence, even when finding that an individual does not fit any of the definitions of “non-independence” listed in Article 148(3) of the TUF, one must still always be aware of the more formal rather than substantial nature of the finding, which by its very nature is unable to provide conclusive reassurance regarding that person’s actual freedom from influence.

With these specifications in mind, it is now possible to examine the position of Mr. De Benedictis in light of the case of absence of independence contemplated by the TUF.

Having passed the examination based on letter *a* (absence of the cases set forth in Article 2382 of the Italian Civil Code)<sup>9</sup> with ease, we must now dwell on the other two cases in point, which focus respectively, (i) on the existence of links by marriage/kinship with directors of the issuer or other companies of the group to which the issuer belongs (letter *b*); and/or (ii) on the existence of an employment, professional, or financial relationship with the group to which the issuer belongs, or with directors of the issuer or any of the persons indicated in point (i), to a degree such as to compromise the independence of that person (letter *c*).

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<sup>5</sup> FERRO-LUZZI, *Indipendente ... da chi; da cosa?* In *Riv. Soc.* 2007, page 209.

<sup>6</sup> SALANITRO, *Nozione e disciplina degli amministratori indipendenti*, in *Banca borsa tit. cred.*, 2008, I, page 15.

<sup>7</sup> On the different nature of the controls exercised by directors compared with those of statutory auditors, see STRAMPELLI, *Sistemi di controllo e indipendenza nelle società per azioni*, Milan, 2013, page 288 *et. seq.*

<sup>8</sup> See REGOLI, *Gli amministratori indipendenti tra fonti private e fonti pubbliche e statuali*, in DI CATALDO-SANFILIPPO (editor), *Le fonti private del diritto commerciale*, Milan, 2008, page 413.

<sup>9</sup> Which, in fact, do not appear to be situations of non-independence but rather limitations on the legal capacity of the individual such as to prejudice their ability to occupy the role of director.

This immediately poses a question of interpretation related to the importance that a change of control of the issuer could have. The point, therefore, is whether, with the transfer of the control of Ansaldo from Finmeccanica to Hitachi, the obstacle, in terms of the requirements of independence specified in Article 148(3) of the TUF, represented by the “proximity” of Mr. De Benedictis to the group headed by Finmeccanica ceased to apply. This framework, already the subject of investigation in the opinions of Professor Marchetti and Professor Angelici, does not seem to require further investigation at this point, in light of the observation – which appears conclusive – that the TUF does not attribute importance to prior<sup>10</sup> relationships, such that just the existence of “proximity” by Mr. De Benedictis to the entity currently in control of Ansaldo could give rise to his preclusion from taking on the role, due to non-possession of the requirement set forth in Article 148(3)(c) of the TUF.

Based on the foregoing, we must conclude that, in light of the criteria imposed by the TUF, Mr. De Benedictis does not find himself in any of the cases which would prejudice or exclude his independence and, accordingly, his eligibility to hold the role of independent director in Ansaldo is not challengeable under the aforesaid criteria laid down by the TUF.

The opinion, however, changes radically as soon as we proceed to analyse the position of Mr. De Benedictis in light of the criteria laid down by the Corporate Governance Code. Indeed, as we will see, from this other perspective, other criteria become important, which are less formal and more wide-ranging and flexible, and favour substance over form. In the light of these latter criteria, the conclusion is, as will be explained below, that Mr. De Benedictis cannot credibly be recognised as an independent director.

8. **EVALUATION OF THE POSITION OF MR. DE BENEDICTIS UNDER THE CORPORATE GOVERNANCE CODE (INCLUDING FOR THE PURPOSES OF ART 37 OF THE MARKETS REG. AND CONSOB TRANSACTIONS WITH RELATED PARTIES REG)**

In order to correctly analyse and evaluate the position of Mr. De Benedictis pursuant to the Corporate Governance Code, a fundamental observation and our starting point is that the Corporate Governance Code enshrines the principle (3.P.1) whereby an independent director is a director that has not recently “*had relations - even indirectly - with the issuer or entities connected with the issuer, such that they currently influence their independence of judgement*”.

As previously pointed out, (see paragraph 7 above), like that of the TUF, the concept of independence provided by the Corporate Governance Code is “negative”; this however, is accompanied by elements which give it greater strength and reliability than the concept adopted by primary legislation<sup>11</sup>. In fact, the Corporate Governance Code:

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<sup>10</sup> Strampelli underlines the subsequent weakness of the legal provision STRAMPPELLI , *cit.*, page 269.

<sup>11</sup> In this regard see BARACHINI, *Il comitato per la remunerazione: attualità e prospettive alla luce della Raccomandazione della Commissione Europea 2009/385/EC*, in AAVV., *Amministrazione e controllo nel diritto delle società*, Turin, 2010, pages 197 *et seq.*

(i) contains a list of typical cases of absence of independence which is more substantial and detailed than that of Article 148(3) of the TUF;

(ii) unlike the TUF, does not limit itself to considering only current relations – i.e. those still in progress – but attributes importance to prior relations – i.e. already past – if they are such as to influence the subject’s independence;

(iii) unlike the TUF, looks (and in fact asks that one should look) at substance rather than form, in order to “capture” also other cases of absence of independence not expressly contemplated (or, conversely, in order to reduce the importance of the finding of cases that are contemplated).

The Corporate Governance Code’s approach tends to adhere more closely to the practical reality and, accordingly, presumes that an assessment regarding the possession of the requirements of independence will be performed essentially by looking at the actual circumstances and their context taken as a whole.

It follows that there is a need to make an all-round assessment, which implies not only an accurate analysis of specific situations, but also the need to place and interpret such situations within an overall framework: in other words, the context may lead us to consider that circumstances which, when considered in isolation, might not be of conclusive importance, flag up potential situations of “non-independence”.

Now that being said, I believe that attention should be paid to the following considerations.

The starting point, in my opinion, is Mr De Benedictis’ long professional relationship with the Finmeccanica Group prior to his appointment to the Board of Directors of Ansaldo, which must be evaluated in light of the “*prima facie*” situation identified by criterion 3.C.1 (b) of the CGC (being or having been, in the previous three years, “*a prominent figure at the issuer, a subsidiary of the issuer with strategic relevance or a company under common control with the issuer, or of a company or entity which [...] controls the issuer or is capable of exercising considerable influence over it*”).

It appears to me that it is indisputable that Mr. De Benedictis was, until February 2015, a prominent figure at Finmeccanica UK, a company under common control with Ansaldo of the then parent company Finmeccanica: his appointment took place before the three-year cooling-off period had completely expired. On this point, the observations of Mr. De Benedictis in his letter of 27 October 2016 do not appear totally conclusive. According to him, Finmeccanica UK was not a top-tier company nor a strategic company of the Finmeccanica Group: in fact, the strategic nature in this case is not relevant in the case of common control and this is sufficient to (theoretically) constitute the case under 3.C.1 (b).

We should, however, ascertain the effect of the change of control: at the time of Mr. De Benedictis’ appointment, in fact, Finmeccanica’s control over Ansaldo had ceased.

According to the opinion of Professor Marchetti, the relationship with the former parent company continued to be important, since the person appointed could have an interest in defending transactions or employees of the issuing company, respectively carried out or introduced to the issuer by the previous parent company with which the person appointed had a relationship at the time. The opinion of Professor Angelici, conversely, is that any interest in defending the past management could, at most, present itself in specific situations – giving rise, at the most, to a specific position of a conflict of interest – but would not be such that it would undermine the individual general position of independence.

My opinion is that the transfer of control is not likely, by and of itself, to render inapplicable the presumption of a lack of independence in a subject “linked” (to use the non-technical expression) to the previous parent company: on this point, I find myself more in agreement with the position of Professor Marchetti, albeit for partly different and additional reasons.

I believe, in fact, that the relationship with the previous parent company becomes important not only (and not as much) from the viewpoint of “defending” choices made by the past management, but as an element which can prejudice independence of judgement, at least in situations where, following the change of control, relations between the former parent company and the new parent company remain and are such that they might determine an overlapping of interests and/or cooperation which leads one to presume that the former parent company retains a qualified interest (not merely that of a third party) vis-à-vis the former subsidiary.

Although the case of a change of control is not expressly contemplated by the Corporate Governance Code, the need for its inclusion in the list of situations in any case potentially capable of influencing the work of an individual who has (or had in the recent past) relationships with the former parent company is imposed by application of the principle of substance over form, enshrined in the Code. Consideration of relationships with the former parent group in the context of an assessment of independence is, moreover, expressly provided for by other legal systems. For example, the Listing Standards of the NYSE<sup>12</sup> specify that a director is not independent if such director “*is, or within the last three years has been, employed by the listed company*”. For the purposes of the Listing Standards, the word “company” “*includes any parent or subsidiary in the listed company’s consolidated group for financial reporting purposes. If the NYSE-listed company ceases to be part of a consolidated group, the three-year “look-back” period is measured from the date of deconsolidation*” (our underlining). The FAQ C.3.A<sup>13</sup> explains that “*A relationship that would impair independence under Section 303.A.02(b) ends on the date that the listed company ceases to be part of a consolidated group with its former parent. Accordingly, the look-back period should be measured from the date of deconsolidation. For example, if a director is employed by a former parent company of a listed company, the director’s employment with a member of the consolidated group is deemed to end as of the date that the listed company*

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<sup>12</sup> See the *Independence Tests* set out in Section 303A.02 of the *NYSE Listed Company Manual*.

<sup>13</sup> See *NYSE Listed Company Manual – Section 303A Corporate Governance Standards – Frequently Asked Questions*.



*ceases to be part of the former parent's consolidated group, even if the director thereafter continues to be employed by the former parent. As a result, the Director could not be deemed independent until three years after the date of deconsolidation".*

I am not claiming here that the Corporate Governance Code should be interpreted in light of the NYSE Listing Standards, but I do say that these Standards highlight situations in which, also from the viewpoint of the Corporate Governance Code, it is important to pay particular attention; at least in the sense that, where such situations exist, it is appropriate and therefore necessary for the Board of Directors to perform assessments in addition to merely recording the self-assessments of the candidate to the position of independent director.

According to the Listing Standards, then, a subject who was employed by a company belonging to the same group as a listed company cannot become an independent director of such listed company unless at least three years have passed since the date on which the control of the listed company passed to another company or group (or, in any case, since the end of the employment relationship with the group which previously controlled the company.

Given that Mr. De Benedictis would therefore have been precluded *ex ante* from taking up the position of independent director if the applicable rules had been the NYSE rules, his independence and also according to the Corporate Governance Code can be called into question if, to the already relevant fact, by and of itself, of his proximity to the former parent company Finmeccanica, we add the fact of the continuing connection and alignment of interests of the former parent company (Finmeccanica) and the new parent company (Hitachi).

The documentation examined does not allow us to obtain full and detailed knowledge of the status of these relationships. However, such knowledge is not a *conditio sine qua non* to assess whether or not there is proof which makes it more likely that there is a connection and alignment of interests. Evidence along these lines certainly exists and has been punctiliously highlighted by the directors of the minority shareholders of Ansaldo, as is widely shown in the documentation seen by me and listed in paragraph 2: everyone needs to remember the legal lawsuit, still pending, which originated in the accusation levelled by Consob against Finmeccanica and Hitachi of collusion during the takeover bid following the transfer of control over Ansaldo. This suffices, in my opinion, for there to be an objective, structural element in this specific case – that is the qualified proximity of Mr. De Benedictis to Finmeccanica and the connection/alignment of interests between Hitachi and Finmeccanica –for us to conclude that, instead of stopping at the point on which continuity seems, at first sight, to stop (that is, upon finding that Finmeccanica no longer controls Ansaldo and that Mr. De Benedictis is no longer employed by Finmeccanica), one must, instead, do exactly the opposite: one must investigate further, in particular by checking whether, based on *conduct*, the alleged independence is confirmed or disproved.

In other words, the situation of proximity/closeness, complained of on a number of occasions by the directors of the minority shareholders, should have led the Board of Directors to give greater weight to the conducting of its own examination, and this also with a view to the consequences arising from its assessment of the independence requirements. In fact, such verification is not only potentially likely – as was in fact the case – to give access to a director deemed independent to particularly important roles (for example, sitting on internal committees), but is an essential condition, in the case of companies such as Ansaldo being subject to other management and coordination, for a stock market listing to be obtained and maintained. Therefore, everyone can see that in the case at hand much more than ordinary diligence and attention should have been employed by the Board of Directors when assessing whether in fact Mr. De Benedictis met the independence requirements.

The strategic importance of the role of chairman of the committee in charge of evaluating transactions with related parties and the exposure to the risk of suffering harmful consequences (such as, for example, a listing suspension)<sup>14</sup>, should confirmation of the non-independence of Mr. De Benedictis lead to a violation of the provisions of the Markets Regulation which require internal committees to be entirely composed of independent directors or the Board of Directors to be composed of a majority of independent directors, required and still require the Ansaldo Board of Directors to be extremely rigorous in its assessment and, in particular, to perform the assessment not only from the standpoint of the theoretical relevance/irrelevance of *structural* information (proximity/non-proximity of Mr. De Benedictis to the former or the present parent company; proximity between the former and present-day parent company) but also, and above all, from the standpoint of the relevance of *behavioural* data.

It is precisely from this second standpoint that some facts subsequent to the appointment of Mr. De Benedictis are particularly indicative, in my opinion, of an alignment of the director's conduct with that of the controlling shareholder and the other directors representing the latter, and this alignment corroborates the assessment in terms of the likelihood of a lack of independence on the part of Mr. De Benedictis.

It appears to me that there are at least three facts which are worthy of particular mention and all of them have considerable weight. Below, I will proceed to illustrate the elements and their importance.

#### **8.1 The conduct of Mr. De Benedictis with reference to the professional mandate conferred on the Paul Hastings law firm**

A first element which leads us to doubt the existence of actual independence of judgement on the part of Mr. De Benedictis consists of the matter of the award, by and at the Company's expense, of a professional mandate to Mr. Bruno Cova, a partner of the Paul Hastings law firm, to protect the personal interest of Mr. De Benedictis; the interest, namely,

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<sup>14</sup> A failure to comply with the provisions set forth in Article 37 of the Markets Reg. is a cause for suspending the listing of shares (see Title 2.5 of the Markets Regulation applied to markets organised and managed by Borsa Italiana S.p.A.).

to uphold and assist him in his defence against the objections raised by the directors of the minority shareholders regarding his meeting the declared independence requirements.

It is obvious to everyone that the position of a director who requests – or even only accepts – that the company should pay the costs connected with the defence of his purely personal position is in itself emblematic of an alignment of interests in the present and destined, in all probability, to become stronger in the future.

But more than that, the seriousness of this fact is aggravated by the reticent conduct of both Mr. De Benedictis and the Managing Director of the Company when requests were made for clarification during a board meeting by the directors of minority shareholders: and the omissions and absence of transparency – the object of specific criticism by the Board of Statutory Auditors at the board meeting of 24 November 2016 – only serve to confirm one's awareness of the inappropriateness of the conduct of both Mr. De Benedictis and the Managing Director.

## **8.2 Mr. De Benedictis' conduct in the context of his participation in Ansaldo's internal committees.**

The other two circumstances which lead me to conclude that there is very strong evidence of a lack of independence on the part of Mr. De Benedictis relate to his conduct in connection with the performance of his duties within two of the Company's internal committees, the Nomination and Remuneration Committee and the Control and Risks Committee (also appointed to carry out the duties of the Related Party Transaction Committee provided for by the cited Consob OPC Reg.)

In this regard, although initially recognising that the finding set out in the opinion of Professor Tombari<sup>15</sup> is certainly correct when he says that alignment of the conduct of the independent director with that of the other directors during board meetings, must not, by itself, be deemed a manifestation of a lack of independence, we must not forget that in certain situations independent directors are required to be particularly active, especially if they hold specific roles which distinguish their position from that of other non-executive directors. This is the case, for example, of a director who is a member of an internal board committee, from whom one would expect a particularly high degree of diligence, which in practical terms means dedicating considerable commitment and attention to the performance of duties connected with the specific function that they are required to perform<sup>16</sup>.

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<sup>15</sup> See Pages 23 *et seq.* of the above opinion.

<sup>16</sup> See, on this point, REGOLI, *Gli amministratori indipendenti*, in ABBADESSA – PORTALE (chief editor), *Il nuovo diritto delle società*. Liber amicorum Gian Franco Campobasso, Turin, 2006, vol. 2, page 423, and, more recently, ID., *Gli amministratori indipendenti: alcune condizioni per un più efficace funzionamento di questo strumento di governance nel sistema dei controlli sulla gestione*, in ABBADESSA (editor), *Dialogo sul Sistema dei controlli nelle società*, Turin, 2015, page 60 *et seq.* See also M. STELLA RICHTER JR, *I comitati interni all'organo amministrativo*, in *Riv. soc.*, 2007, pages 260 *et seq.*

In the case at hand, at least two circumstances were brought to my attention in which Mr. De Benedictis does not appear to have performed his duties as an independent director with all due attention and scrupulousness.

**(a) Mr. De Benedictis' conduct in the context of the Nomination and Remuneration Committee in relation to the appointment of the new Managing Director of the Company**

The first circumstance concerns the work of Mr. De Benedictis in the context of the Nomination and Remuneration Committee and, more specifically, the part he played in approving the decision whereby on 23 May 2016, taking a very different direction to the Committee previously in office, the above-mentioned committee recommended to the Ansaldo Board of Directors the appointment of the Chief Operating Officer of Hitachi, Mr. Andrew Barr, as the Company's new Managing Director.

The decision of the Committee was notified to the Board of Directors of the Company on 24 May: at the board meeting, Ms Painter (chairwoman of the Committee) declared that the Committee had made its own decision after "*long discussion*" and relying on "*the analyses already carried out by the previous Nomination and Remuneration Committee regarding the candidacy of Mr. Barr to the position of Managing Director and General Manager*"<sup>17</sup>.

The statements of the Chairwoman of the Committee – in no way contested or corrected by Mr. De Benedictis, present at the meeting of the Board of Directors – are however contradicted (a) by what was said by way of clarification during the board meeting by the Chairman of the Board of Statutory Auditors, Mr. Sarubbi (present at the Committee meeting), regarding the actual duration of the discussions held by the Committee, which in fact lasted no more than half an hour; and – and this is of primary importance – (b) by the minutes of the meetings of the previous Committee which, contrary to what Ms. Painter said, had reached, *inter alia*, the conclusion that Mr. Barr "*only partially meets the requirements for the succession established by the Committee on 15 February 2016*", "*is less solid than the internal candidates*" of the Company<sup>18</sup>, suggesting therefore that the Board of Directors should lean towards one of the two internal candidates<sup>19</sup>

As can be seen from the minutes of the Nomination and Remuneration Committee of 23 May 2016 and from the subsequent minutes of the Board of Directors of 24 May 2016, the proposal to appoint the candidate of Hitachi, the majority shareholder, rather than one of the Company's two internal candidates, was also approved with the favourable vote of Mr. De Benedictis, (i) without having first discussed what requirements should be for the candidacy for the post of Managing Director and General Manager of a company such as Ansaldo; (ii) without having discussed the method to choose to find the candidate, such as, for example, seeking the services of a specialised company; (iii) without having

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<sup>17</sup> See minutes of the Board Meeting held on 24 May 2016.

<sup>18</sup> See minutes of the Nomination and Remuneration Committee of 4 March 2016.

<sup>19</sup> See minutes of the Nomination and Remuneration Committee of 15 March 2016.

ever interviewed Mr. Barr; (iv) without having evaluated the content of his *curriculum vitae*; (v) without having considered any candidates outside the Chief Operating officer of Hitachi; (vi) without having considered or even met the candidates selected by the previous Committee; (vii) without having analysed and reported to the Board the risks arising from the appointment of Hitachi's candidate<sup>20</sup>.

From the minutes of the meeting of the Nomination and Remuneration Committee held on 23 May 2016 we can instead infer that the choice of Mr. Barr for recommendation to the Board of Directors was determined more by contingent requirements, i.e. finding a quick replacement for the previous managing director – Mr. Siragusa – who no longer had the trust of the new controlling shareholder, and ensuring that the new CEO came directly from the shareholder Hitachi, rather than the concern of identifying the best person possible for such a delicate role.

**(b) *Mr. De Benedictis' conduct in relation to his role as chairman of the Control and Risks Committee and working for the Related Party Transaction Committee.***

The second circumstance which I consider relevant for the purposes of the analysis I was asked to perform concerns the work of Mr. De Benedictis as the chairman of the Control and Risks Committee also undertaking work for the Related Party Transaction Committee, with specific reference to the matter of the signing, by Ansaldo, of a memorandum of understanding with Ferrovie dello Stato and, *inter alia*, with its controlling shareholder Hitachi, which occurred without the preventive deployment of the safeguards provided for by the procedure for transactions with related parties adopted by the Company.

From the documentary evidence brought to my attention we see that on 4 August 2016, the Board of Directors of the Company was convened as a matter of urgency to a meeting on the following day to authorise the submission of an offer for the construction of two high-speed railway lines in Iran, as part of a temporary business grouping – composed of Ansaldo, Hitachi and Astaldi – “*which will act as Sub General Contractor*” to the General Contractor, Ferrovie dello Stato.

The significant circumstance is that the documentation provided to Ansaldo's directors to prepare for this Board meeting showed that, on 19 May 2016, the Company, together with Hitachi (and Astaldi S.p.A.) had already signed a memorandum of understanding with Ferrovie dello Stato relating to the project, but without the prior authorisation of the Related Party Transaction Committee<sup>21</sup> and the Board of Directors.

The memorandum, which governs the cooperation between the parties with regard to a project of considerable financial importance (€1.3 billion, of which Ansaldo's share is €355 million), constitutes a binding document for the parties signing it, since it commits them to cooperate exclusively in order for the project to be awarded to Ferrovie dello Stato

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<sup>20</sup> For example, the fact that Mr. Barr did not have any technical and managerial experience of companies comparable to Ansaldo; that he had never held senior positions in a listed company; that he had no particular knowledge of the signalling sector.

<sup>21</sup> It turns out, in fact, that the Related Party Transaction Committee met on 5 August 2015 prior to the Board meeting approving the submission of the offer, thus an act *executing* the memorandum of understanding.

(as general contractor) by the railways authority of the Islamic Republic of Iran and provides, *inter alia*, for the undertaking, by the Company, Hitachi and Astaldi, of joint and several responsibility towards Ferrovie dello Stato with regard to compliance with the provisions of the memorandum.

The particularly delicate nature of the matter can be seen not only in view of the value of the project and its strategic importance (being the result of agreements which also involved the Italian Government and which were not mentioned to the directors until August), but also in view of the following circumstances: (a) the time which elapsed between the date of signing of the memorandum (on 19 May 2016) and the date on which the Board of Directors was informed for the first time of its existence (4 August 2016); (b) the fact that Ansaldo's other contracting party (Ferrovie dello Stato) is Hitachi's main customer in Italy, a situation which should have been cause for particular caution, with a duty to check that all contractual relationships were effectively at arm's length and would not be compensated for by direct commercial relations between Hitachi and Ferrovie dello Stato; and in particular not excluding the fact of Hitachi having an interest in Ferrovie dello Stato obtaining particularly advantageous conditions by stipulating an agreement, the cost of which would be shared with Ansaldo but the outcome of which could consist of greater advantages to the exclusive benefit of Hitachi as part of orders made by Ferrovie dello Stato directly/exclusively to Hitachi.

In the light of the above, Mr. De Benedictis' conduct is most certainly reproachable since, as chairman of the committee, he did not take action, requesting clarification regarding the *modus operandi* of the company leadership in order to ascertain possible violations of the procedure for transactions with related parties with regard to a project which, for all purposes, involves a party related to the Company<sup>22</sup>

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In conclusion to the analysis performed, my opinion is as follows:

A) Firstly, on the basis of the checks made in light of the independence criteria laid down by the combined provisions of Articles 147-*ter*(4) and 148(3) of the TUF, with regard to Mr. De Benedictis none of the situations likely to prejudice or exclude his independence have been established; therefore, his eligibility to occupy the position of independent director at Ansaldo is unquestionable in light of the criteria laid down by primary legislation.

B) Secondly, on the other hand, with regard to verifying his independence in light of the criteria laid down by Article 3 of the Corporate Governance Code (a check which is relevant also for the purposes of Article 37(1)(d), and paragraph 1-*bis* of the Markets Reg. and the

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<sup>22</sup> At a meeting of the Board, in response to a request for clarifications from the minority shareholders, a series of justifications for the fact that the procedure was not put in place were provided – by one of the members of the Committee and by the company lawyer – apparently without any comment being made by the Committee Chairman, Mr. De Benedictis.

rules governing transactions with related parties laid down by the Consob OPC Regulation), my opinion is as follows:

- (i) from a structural viewpoint – i.e. of the circumstances which are theoretically relevant for determining whether there are elements of risk to such independence – Mr. De Benedictis is in a situation which requires a considerable degree of attention to this role:
- (ii) from the behavioural point of view, that is, the conduct of Mr. De Benedictis and of the directors who like him come from Hitachi, this makes the assessment that Mr. De Benedictis lacks the independence requirements credible, the assessment of which is mandatory due to the existence of the structural element highlighted.

In my opinion, therefore, the Ansaldo Board must (i) review its assessment with regard Mr. De Benedictis' self-declared independence; (ii) conclude that such independence does not exist in practise or that there are strong, specific reasons to doubt that it exists and (iii) take all the decisions consequent on its new determination on this point.

Milan, 18 December 2016

Signature

Professor Alberto Mazzoni

P66140

## Supplementary notice provided for under Article 114, paragraph 5 of Legislative Decree No. 58/98

Ansaldo STS S.p.A., in compliance with the request received from Consob on 17 January 2017 under Article 114, paragraph 5, of Legislative Decree No. 58/98 (**TUF**) and concerning the provision of the following information:

*"- the reasons for which it decided to make certain deletions to the complaints/ letters made available to the public, as well as not to publish the related annexes;  
- the reasons for which it decided not to proceed with the full publication of the minutes of the hearing held on 14 October 2016 before the Court of Genoa, as well as to delete, in its entirety, the letter dated 4 December 2016 referred to as Document No. 14 in the list published by the Company on its website;  
- the means by which it would proceed where it decided to replace Mr Bivona, taking into account the fact that, pursuant to Article 16.3 of the Company bylaws, one-third of the Board must be made up of Directors elected from lists other than the one that obtained the most votes."*

specifies that:

1. In the documentation made available to the public on 4 January 2017, references to third persons and matters that had nothing to do with the agenda or matters that were considered confidential were deleted. It was decided that the annexes to Mr Bivona's complaints would not be published on the same grounds and because the latter were widely referenced in the minutes, were repetitive and supported assumptions not dealt with in the agenda of the Shareholders' Meeting. Mr Bivona's conduct has been censured as to the manner in which he has behaved within the Board of Directors and the purpose of his actions. It must be pointed out that the complaints lodged by Mr Bivona in the Company's possession are the same as the ones that have been made public, even though the numbering of these complaints by Mr Bivona would seem to suggest that there are other complaints in which the Company has not been copied in.

2. The Company decided not to publish the full version of the minutes of the hearing held on 14 October 2016 before the Court of Genoa, because it had not been authorised to do so by all the concerned parties and by all the directors involved, whose names (but not their statements) have been disclosed. In any event, the minutes of the hearing only constitute proof – as far as the relevant item of the shareholders' meeting agenda is concerned – of the interest expressed by Mr Bivona at that Board Meeting to uphold the appeal brought by Elliott Funds, in conflict with the Company's interest, which was recognised by the Court (and before that by the Court of Appeal of Genoa).

As far as the letter sent by Mr Bivona on 4 December 2016 to the Chairman of the Board of Statutory Auditors, Mr Giacinto Sarubbi, is concerned, the contents thereof have been completely deleted because they contain an attack to the Chairman of the Board of Statutory Auditors that has nothing to do with the agenda and concern a confidential matter.

3. With regard to the manner in which Mr Bivona might be replaced, the Company will proceed in compliance with the law and the bylaws and, therefore, the Company's Board of Directors may appoint a

Ansaldo STS S.p.A.

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replacement, drawing the name from the list presented by Elliott Funds to the Shareholders 'Meeting on 13 May 2016, in accordance with the agenda indicated therein. The Company's bylaws provide, in fact:

*"16.5 In the event that, during the year, one or more Directors no longer hold office, Article 2386 of the Italian Civil Code will, to the extent indicated below, apply thereto, provided that the majority continues to be represented by directors appointed by the shareholders' meeting:*

*a) The Board shall appoint the replacements from the same list from which the outgoing directors were appointed, choosing, if necessary, a replacement who meets the independence requirements established by the law and complies with the legislation currently in force concerning gender balance; the meeting shall pass a resolution with the majorities provided for under the law, respecting the same principles;*

*b) if (i) non-elected candidates, or, where applicable, (ii) candidates who meet the independence requirements established under the law, are not left on the said list, the Board of Directors shall proceed to the replacement thereof without complying with the recommendations set forth in step a) above and, in any event, with a view to ensuring compliance with the current legislation on gender balance. The meeting resolves with the majorities provided for under the law, in compliance with the principles on the composition of the board established by the law, including with those on gender balance."*

Genoa, 18 January 2017

Ansaldo STS S.p.A.

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
ASTENGO GIACOMO	Accountholder	ASTENGO GIACOMO	ASTENGO GIACOMO			100	0,00%
BRAGHERO CARLO MARIA	Accountholder	BRAGHERO CARLO MARIA	BRAGHERO CARLO MARIA			10	0,00%
CARADONNA GIANFRANCO MARIA	Accountholder	CARADONNA GIANFRANCO MARIA	CARADONNA GIANFRANCO MARIA			1	0,00%
ALBANO ARTURO	Delegate	ALPHA UCITS SICAV-AMBER EQUITY FUND	ALPHA UCITS SICAV-AMBER EQUITY FUND			986.783	0,49%
ALBANO ARTURO	Delegate	AMBER ACTIVE INVESTORS LIMITED	AMBER ACTIVE INVESTORS LIMITED			4.277.085	2,14%
ALBANO ARTURO	Delegate	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD			789.123	0,39%
ALBANO ARTURO	Delegate	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD			793.448	0,40%
BALDELLI SONIA	Delegate	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND			3.863	0,00%
BALDELLI SONIA	Delegate	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND			7.746	0,00%
BALDELLI SONIA	Delegate	ALASKA PERMANENT FUND CORPORATION	ALASKA PERMANENT FUND CORPORATION			17.502	0,01%
BALDELLI SONIA	Delegate	AQR INTERNATIONAL SMALL CAP EQUITY FUND, L.P.	AQR INTERNATIONAL SMALL CAP EQUITY FUND, L.P.			14.936	0,01%
BALDELLI SONIA	Delegate	BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B	BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B			24.125	0,01%
BALDELLI SONIA	Delegate	BGI MSCI EMU IMI INDEX FUND B	BGI MSCI EMU IMI INDEX FUND B			166	0,00%
BALDELLI SONIA	Delegate	BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F			13.161	0,01%
BALDELLI SONIA	Delegate	BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN	BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN			763	0,00%
BALDELLI SONIA	Delegate	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR			51.029	0,03%
BALDELLI SONIA	Delegate	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR			107.468	0,05%
BALDELLI SONIA	Delegate	BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN			4.504	0,00%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

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Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	BURROUGHS WELLCOME FUND	BURROUGHS WELLCOME FUND			1.823	0,00%
BALDELLI SONIA	Delegate	CAISSE DES DEPOTS ET CONSIGNATIONS	CAISSE DES DEPOTS ET CONSIGNATIONS			49.769	0,02%
BALDELLI SONIA	Delegate	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM			14.001	0,01%
BALDELLI SONIA	Delegate	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM			22.584	0,01%
BALDELLI SONIA	Delegate	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM			229.182	0,11%
BALDELLI SONIA	Delegate	CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM			51.171	0,03%
BALDELLI SONIA	Delegate	CF DV ACWI EX-U.S. IMI FUND	CF DV ACWI EX-U.S. IMI FUND			631	0,00%
BALDELLI SONIA	Delegate	CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALLCAP PASSIVE II	CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALLCAP PASSIVE II			3.090	0,00%
BALDELLI SONIA	Delegate	CHEVRON MASTER PENSION TRUST	CHEVRON MASTER PENSION TRUST			10.490	0,01%
BALDELLI SONIA	Delegate	CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN			17.684	0,01%
BALDELLI SONIA	Delegate	CITY OF NEW YORK GROUP TRUST	CITY OF NEW YORK GROUP TRUST			8.148	0,00%
BALDELLI SONIA	Delegate	CITY OF NEW YORK GROUP TRUST	CITY OF NEW YORK GROUP TRUST			13.827	0,01%
BALDELLI SONIA	Delegate	CITY OF NEW YORK GROUP TRUST	CITY OF NEW YORK GROUP TRUST			16.209	0,01%
BALDELLI SONIA	Delegate	COLLEGE RETIREMENT EQUITIES FUND	COLLEGE RETIREMENT EQUITIES FUND			145.349	0,07%
BALDELLI SONIA	Delegate	EASTSPRING INVESTMENTS	EASTSPRING INVESTMENTS			6.453	0,00%
BALDELLI SONIA	Delegate	FCP BNP EASY LOW CARBON100 EUROPE	FCP BNP EASY LOW CARBON100 EUROPE			2.972	0,00%
BALDELLI SONIA	Delegate	FCP ERAFP ACT IND11	FCP ERAFP ACT IND11			355.481	0,18%
BALDELLI SONIA	Delegate	FCP REGARD SEL.ACT EURO.	FCP REGARD SEL.ACT EURO.			69.540	0,03%
BALDELLI SONIA	Delegate	FIDELITY SAL ST T SPARTAN TOTAL INT IN F	FIDELITY SAL ST T SPARTAN TOTAL INT IN F			608	0,00%
BALDELLI SONIA	Delegate	FLEXSHARES MORNINGSTAR DEVELOPED MARKETS EX-US FACTOR TILT INDEX FUND	FLEXSHARES MORNINGSTAR DEVELOPED MARKETS EX-US FACTOR TILT INDEX FUND			2.145	0,00%

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Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST	FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST			4.697	0,00%
BALDELLI SONIA	Delegate	FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST			132	0,00%
BALDELLI SONIA	Delegate	GAIKOKUKABU SUB FUND 1 LP	GAIKOKUKABU SUB FUND 1 LP			3.481	0,00%
BALDELLI SONIA	Delegate	GLOBAL INFRASTRUCTURE EQUITY FUND LONDON CAPITAL	GLOBAL INFRASTRUCTURE EQUITY FUND LONDON CAPITAL			3.192	0,00%
BALDELLI SONIA	Delegate	GLOBAL MANAGED VOLATILITY FUND	GLOBAL MANAGED VOLATILITY FUND			5.134	0,00%
BALDELLI SONIA	Delegate	GOVERNMENT OF NORWAY	GOVERNMENT OF NORWAY			2.230.460	1,12%
BALDELLI SONIA	Delegate	GOVERNMENT OF THE REPUBLIC OF SINGAPORE	GOVERNMENT OF THE REPUBLIC OF SINGAPORE			1.823	0,00%
BALDELLI SONIA	Delegate	HOME AFFAIRS UNIFORMED SERVICES (INVEST FUND)	HOME AFFAIRS UNIFORMED SERVICES (INVEST FUND)			1.850	0,00%
BALDELLI SONIA	Delegate	IBM 401K PLUS PLAN	IBM 401K PLUS PLAN			18.433	0,01%
BALDELLI SONIA	Delegate	INTERNATIONAL MONETARY FUND	INTERNATIONAL MONETARY FUND			1.556	0,00%
BALDELLI SONIA	Delegate	INTERNATIONAL MONETARY FUND	INTERNATIONAL MONETARY FUND			7.838	0,00%
BALDELLI SONIA	Delegate	ISHARES CORE MSCI EAFE ETF	ISHARES CORE MSCI EAFE ETF			132.237	0,07%
BALDELLI SONIA	Delegate	ISHARES CORE MSCI EAFE IMI INDEX ETF	ISHARES CORE MSCI EAFE IMI INDEX ETF			4.379	0,00%
BALDELLI SONIA	Delegate	ISHARES CORE MSCI EUROPE ETF	ISHARES CORE MSCI EUROPE ETF			26.738	0,01%
BALDELLI SONIA	Delegate	ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF			30.484	0,02%
BALDELLI SONIA	Delegate	ISHARES MSCI EAFE SMALL CAP ETF	ISHARES MSCI EAFE SMALL CAP ETF			392.084	0,20%
BALDELLI SONIA	Delegate	ISHARES MSCI EUROPE IMI INDEX ETF	ISHARES MSCI EUROPE IMI INDEX ETF			2.084	0,00%
BALDELLI SONIA	Delegate	ISHARES MSCI EUROPE SMALL-CAP ETF	ISHARES MSCI EUROPE SMALL-CAP ETF			7.513	0,00%
BALDELLI SONIA	Delegate	ISHARES VII PLC	ISHARES VII PLC			105.648	0,05%
BALDELLI SONIA	Delegate	Illinois State Board of Investment	Illinois State Board of Investment			9.569	0,00%
BALDELLI SONIA	Delegate	JPMORGAN FUNDS	JPMORGAN FUNDS			47.800	0,02%

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BALDELLI SONIA	Delegate	LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF	LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF			5.168	0,00%
BALDELLI SONIA	Delegate	LBPAM RESPONSABLE ACTIONS ENVT	LBPAM RESPONSABLE ACTIONS ENVT			146.016	0,07%
BALDELLI SONIA	Delegate	LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST	LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST			2.580	0,00%
BALDELLI SONIA	Delegate	LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED			11.716	0,01%
BALDELLI SONIA	Delegate	LITESPEED MANAGEMENT LLC LITESPEED MASTER FUND LTD	LITESPEED MANAGEMENT LLC LITESPEED MASTER FUND LTD			7.903.597	3,95%
BALDELLI SONIA	Delegate	LONDON LIFE INSURANCE COMPANY .	LONDON LIFE INSURANCE COMPANY .			345.145	0,17%
BALDELLI SONIA	Delegate	LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM			13.093	0,01%
BALDELLI SONIA	Delegate	MACKENZIE DIVERSIFIED ALTERNATIVES FUND	MACKENZIE DIVERSIFIED ALTERNATIVES FUND			5.164	0,00%
BALDELLI SONIA	Delegate	MARYLAND STATE RETIREMENT & PENSION SYSTEM	MARYLAND STATE RETIREMENT & PENSION SYSTEM			1.062	0,00%
BALDELLI SONIA	Delegate	MERCER DIOCESE OF BROOKLYN LAY PENSION INVESTMENT TRUST	MERCER DIOCESE OF BROOKLYN LAY PENSION INVESTMENT TRUST			2.040	0,00%
BALDELLI SONIA	Delegate	MICHELIN NORTH AMERICA (CANADA) INC. MASTER TRUST	MICHELIN NORTH AMERICA (CANADA) INC. MASTER TRUST			5.319	0,00%
BALDELLI SONIA	Delegate	MICHELIN NORTH AMERICA INC. MASTER RETIREMENT TRUST	MICHELIN NORTH AMERICA INC. MASTER RETIREMENT TRUST			16.130	0,01%
BALDELLI SONIA	Delegate	MM SELECT EQUITY ASSET FUND	MM SELECT EQUITY ASSET FUND			1.515	0,00%
BALDELLI SONIA	Delegate	MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F			30.521	0,02%
BALDELLI SONIA	Delegate	MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO	MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO			7.537	0,00%
BALDELLI SONIA	Delegate	Mercer Unhedged Overseas Shares Trust	Mercer Unhedged Overseas Shares Trust			6.752	0,00%
BALDELLI SONIA	Delegate	NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P.R.C	NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P.R.C			10.341	0,01%
BALDELLI SONIA	Delegate	NATIONWIDE SMALL CAP INDEX FUND	NATIONWIDE SMALL CAP INDEX FUND			5.827	0,00%
BALDELLI SONIA	Delegate	NEW MEXICO STATE INVESTMENT	NEW MEXICO STATE INVESTMENT			2.248	0,00%

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BALDELLI SONIA	Delegate	COUNCIL NEW MEXICO STATE INVESTMENT COUNCIL	COUNCIL NEW MEXICO STATE INVESTMENT COUNCIL			3.797	0,00%
BALDELLI SONIA	Delegate	NEW ZEALAND SUPERANNUATION FUND	NEW ZEALAND SUPERANNUATION FUND			3.389	0,00%
BALDELLI SONIA	Delegate	NEW ZEALAND SUPERANNUATION FUND	NEW ZEALAND SUPERANNUATION FUND			7.050	0,00%
BALDELLI SONIA	Delegate	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST			26.596	0,01%
BALDELLI SONIA	Delegate	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST			66.958	0,03%
BALDELLI SONIA	Delegate	NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND			3.285	0,00%
BALDELLI SONIA	Delegate	OMERS ADMINISTRATION CORPORATION	OMERS ADMINISTRATION CORPORATION			6.905	0,00%
BALDELLI SONIA	Delegate	ONEPATH GLOBAL SHARES - SMALL CAP INDEX	ONEPATH GLOBAL SHARES - SMALL CAP INDEX			6.904	0,00%
BALDELLI SONIA	Delegate	PARAMETRIC INTERNATIONAL EQUITY FUND	PARAMETRIC INTERNATIONAL EQUITY FUND			6.279	0,00%
BALDELLI SONIA	Delegate	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO			18.026	0,01%
BALDELLI SONIA	Delegate	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO			10.439	0,01%
BALDELLI SONIA	Delegate	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO			25.970	0,01%
BALDELLI SONIA	Delegate	SAND GROVE OPPORTUNITIES MASTER FUND LTD	SAND GROVE OPPORTUNITIES MASTER FUND LTD			17.317	0,01%
BALDELLI SONIA	Delegate	SCHWAB FUNDAM INTER SMALL- COMP INDEX FD	SCHWAB FUNDAM INTER SMALL- COMP INDEX FD			15.107	0,01%
BALDELLI SONIA	Delegate	SCHWAB FUNDAMENTAL INTERNATIONAL SMALL COMPANY ETF	SCHWAB FUNDAMENTAL INTERNATIONAL SMALL COMPANY ETF			24.510	0,01%
BALDELLI SONIA	Delegate	SCHWAB INTERNATIONAL SMALL-CAP EQUITY ETF	SCHWAB INTERNATIONAL SMALL-CAP EQUITY ETF			58.816	0,03%
BALDELLI SONIA	Delegate	SEI GLOBAL ASSETS FUND PLC	SEI GLOBAL ASSETS FUND PLC			9.051	0,00%

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Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	SEI INSTITUTIONAL MANAGED TRUST-TAX-MANAGED INTERNATIONAL MANAGED	SEI INSTITUTIONAL MANAGED TRUST-TAX-MANAGED INTERNATIONAL MANAGED			23.482	0,01%
BALDELLI SONIA	Delegate	SPDR S+P INTERNATIONAL INDUSTRIAL SECTOR ETF	SPDR S+P INTERNATIONAL INDUSTRIAL SECTOR ETF			3.940	0,00%
BALDELLI SONIA	Delegate	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL			1.895	0,00%
BALDELLI SONIA	Delegate	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL			19.958	0,01%
BALDELLI SONIA	Delegate	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL			54.514	0,03%
BALDELLI SONIA	Delegate	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL			100.291	0,05%
BALDELLI SONIA	Delegate	SSGA RUSSELL FD GL EX-US INDEX NONLENDING QP COMMON TRUST FUND	SSGA RUSSELL FD GL EX-US INDEX NONLENDING QP COMMON TRUST FUND			1.033	0,00%
BALDELLI SONIA	Delegate	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY			330	0,00%
BALDELLI SONIA	Delegate	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY			1.072	0,00%
BALDELLI SONIA	Delegate	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY			8.981	0,00%
BALDELLI SONIA	Delegate	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY			9.111	0,00%
BALDELLI SONIA	Delegate	STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	STATE OF ALASKA RETIREMENT AND BENEFITS PLANS			3.495	0,00%
BALDELLI SONIA	Delegate	STG PFDS V.D. GRAFISCHE	STG PFDS V.D. GRAFISCHE			36.631	0,02%
BALDELLI SONIA	Delegate	STICHTING PENSIOENFONDS APF	STICHTING PENSIOENFONDS APF			2.611	0,00%
BALDELLI SONIA	Delegate	STICHTING PENSIOENFONDS VOOR HUISARTSEN	STICHTING PENSIOENFONDS VOOR HUISARTSEN			7.250	0,00%
BALDELLI SONIA	Delegate	STICHTING PHILIPS PENSIOENFONDS	STICHTING PHILIPS PENSIOENFONDS			14.946	0,01%
BALDELLI SONIA	Delegate	STP NUCLEAR OPERATING COMPANY RETIREMENT TRUST	STP NUCLEAR OPERATING COMPANY RETIREMENT TRUST			3.253	0,00%

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BALDELLI SONIA	Delegate	SUNSUPER SUPERANNUATION FUND	SUNSUPER SUPERANNUATION FUND			4.230	0,00%
BALDELLI SONIA	Delegate	SYMMETRY COMPREHENSIVE EQUITY FUND	SYMMETRY COMPREHENSIVE EQUITY FUND			106.009	0,05%
BALDELLI SONIA	Delegate	TAX - MANAGED INTERNATIONAL EQUITY PORTFOLIO	TAX - MANAGED INTERNATIONAL EQUITY PORTFOLIO			2.606	0,00%
BALDELLI SONIA	Delegate	TEXAS SCOTTISH RITE HOSPITAL FOR CRIPPLED CHILDREN	TEXAS SCOTTISH RITE HOSPITAL FOR CRIPPLED CHILDREN			5.272	0,00%
BALDELLI SONIA	Delegate	THE ADV.INNER C.CORNERST.AD.GL.PUB.EQ. F	THE ADV.INNER C.CORNERST.AD.GL.PUB.EQ. F			5.099	0,00%
BALDELLI SONIA	Delegate	THE ARBITRAGE TACTICAL EQUITY FUND	THE ARBITRAGE TACTICAL EQUITY FUND			701	0,00%
BALDELLI SONIA	Delegate	THE CANADA LIFE ASSURANCE COMPANY	THE CANADA LIFE ASSURANCE COMPANY			37.299	0,02%
BALDELLI SONIA	Delegate	THE GREAT-WEST LIFE ASSURANCE COMPANY	THE GREAT-WEST LIFE ASSURANCE COMPANY			29.888	0,01%
BALDELLI SONIA	Delegate	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA			12	0,00%
BALDELLI SONIA	Delegate	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA			31	0,00%
BALDELLI SONIA	Delegate	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA			461	0,00%
BALDELLI SONIA	Delegate	TRUST AND CUSTODY SERVICED BANK LIMITED	TRUST AND CUSTODY SERVICED BANK LIMITED			2.261	0,00%
BALDELLI SONIA	Delegate	U.S. AND INTERNATIONAL SPECIALTY CLASS	U.S. AND INTERNATIONAL SPECIALTY CLASS			2.574	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			1.487	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			3.758	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			3.924	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			6.040	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			6.749	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			8.350	0,00%



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BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			11.343	0,01%
BALDELLI SONIA	Delegate	UBS (US) GROUP TRUST	UBS (US) GROUP TRUST			4.003	0,00%
BALDELLI SONIA	Delegate	UBS ETF	UBS ETF			6.038	0,00%
BALDELLI SONIA	Delegate	UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII			20.005	0,01%
BALDELLI SONIA	Delegate	UTAH STATE RETIREMENT SYSTEMS	UTAH STATE RETIREMENT SYSTEMS			5.208	0,00%
BALDELLI SONIA	Delegate	UTAH STATE RETIREMENT SYSTEMS	UTAH STATE RETIREMENT SYSTEMS			5.487	0,00%
BALDELLI SONIA	Delegate	VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUND	VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUND			154	0,00%
BALDELLI SONIA	Delegate	VANGUARD DEVELOPED MARKETS INDEX FUND	VANGUARD DEVELOPED MARKETS INDEX FUND			411.701	0,21%
BALDELLI SONIA	Delegate	VANGUARD EUROPEAN STOCK INDEX FUND	VANGUARD EUROPEAN STOCK INDEX FUND			186.438	0,09%
BALDELLI SONIA	Delegate	VANGUARD FTSE ALL-WORLD EX-US SMALL CAP INDEX FUND	VANGUARD FTSE ALL-WORLD EX-US SMALL CAP INDEX FUND			161.640	0,08%
BALDELLI SONIA	Delegate	VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF			615	0,00%
BALDELLI SONIA	Delegate	VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF			831	0,00%
BALDELLI SONIA	Delegate	VANGUARD INTERNATIONAL SMALL COMPANIES I	VANGUARD INTERNATIONAL SMALL COMPANIES I			3.244	0,00%
BALDELLI SONIA	Delegate	VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUND	VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUND			102	0,00%
BALDELLI SONIA	Delegate	VANGUARD INVESTMENT SERIES PLC	VANGUARD INVESTMENT SERIES PLC			19.027	0,01%
BALDELLI SONIA	Delegate	VANGUARD TOTAL INTERNATIONAL STOCK INDEX	VANGUARD TOTAL INTERNATIONAL STOCK INDEX			1.150.369	0,58%
BALDELLI SONIA	Delegate	VANGUARD TOTAL WORLD STOCK INDEX FUND	VANGUARD TOTAL WORLD STOCK INDEX FUND			39.078	0,02%
BALDELLI SONIA	Delegate	WASHINGTON STATE INVESTMENT BOARD	WASHINGTON STATE INVESTMENT BOARD			4.560	0,00%
BALDELLI SONIA		WASHINGTON STATE	WASHINGTON STATE			57.475	0,03%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
	Delegate	INVESTMENT BOARD	INVESTMENT BOARD				
BALDELLI SONIA	Delegate	WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR			7.638	0,00%
BALDELLI SONIA	Delegate	WELLS FARGOMASTER TRUST DIVERSIFIED STOCK PORTFOLIO	WELLS FARGOMASTER TRUST DIVERSIFIED STOCK PORTFOLIO			4.371	0,00%
BALDELLI SONIA	Delegate	WEST YORKSHIRE PENSION FUND	WEST YORKSHIRE PENSION FUND			141.164	0,07%
BALDELLI SONIA	Delegate	WHEELS COMMON INVESTMENT FUND	WHEELS COMMON INVESTMENT FUND			4.969	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND			23.130	0,01%
BALDELLI SONIA	Delegate	WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL SMALLCAP	WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL SMALLCAP			168	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE EUROPE HEDGED EQUITY INDEX ETF	WISDOMTREE EUROPE HEDGED EQUITY INDEX ETF			414	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND			40.519	0,02%
BALDELLI SONIA	Delegate	WISDOMTREE EUROPE LOCAL RECOVERY FUND	WISDOMTREE EUROPE LOCAL RECOVERY FUND			886	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND	WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND			123	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE INTERNATIONAL SMALLCAP DIVIDEND FUND	WISDOMTREE INTERNATIONAL SMALLCAP DIVIDEND FUND			131.531	0,07%
BALDELLI SONIA	Delegate	WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	WISDOMTREE ISSUER PUBLIC LIMITED COMPANY			257	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	WISDOMTREE ISSUER PUBLIC LIMITED COMPANY			3.737	0,00%
BALDELLI SONIA	Delegate	WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO	WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO			783	0,00%
COCIRIO STEFANO	Delegate	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERMUDA) LTD	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERMUDA) LTD			1.041.854	0,52%
FURLANI GIORGIO ARONNE	Delegate	ELLIOTT INTERNATIONAL L.P	ELLIOTT INTERNATIONAL L.P			24.813.093	12,41%
FURLANI GIORGIO ARONNE	Delegate	ELLIOTT INTERNATIONAL L.P., C/O	ELLIOTT INTERNATIONAL L.P., C/O			1.027.285	0,51%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
FURLANI GIORGIO ARONNE	Delegate	MAPLES CORPORATE SERVICES LIMITED ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED	MAPLES CORPORATE SERVICES LIMITED ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED			2.584.378	1,29%
PRATELLI MATTEO MARIA	Delegate	ELLIOTT ASSOCIATES LP C/O THE CORPORATION TRUST COMPANY CORPORATION TRUST CENTER	ELLIOTT ASSOCIATES LP C/O THE CORPORATION TRUST COMPANY CORPORATION TRUST CENTER			505.977	0,25%
PREMONTE RAIMONDO	Delegate	HITACHI RAIL ITALY INVESTMENTS	HITACHI RAIL ITALY INVESTMENTS			101.544.702	50,77%
SCIANNACA BRUNO	Delegate	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED			2.587.349	1,29%
SUCCI GIANPIERO	Delegate	THE LIVERPOOL LIMITED PARTNERSHIP	THE LIVERPOOL LIMITED PARTNERSHIP			11.956.212	5,98%
TARICCO MARCO	Attorney	BLUEBELL PARTNERS LIMITED	BLUEBELL PARTNERS LIMITED			10	0,00%
TARICCO MARCO	Delegate	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERMUDA) LTD	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERMUDA) LTD			570.795	0,29%

#### TOTAL PARTICIPANTS

n° 174 entitled to vote representing no. 169.580.479 ordinary shares

# Ansaldo STS S.p.A

## ORDINARY SHAREHOLDER MEETING - 19TH JANUARY 2017

### COMMUNICATION OF THE PRESIDENT

Present directly representing their own shares or by proxy are no. **174** entitled to vote representing no. **169.580.479** ordinary shares equal to 84,79 % of no. 200.000.000 (two hundred million) ordinary shares, making up the share capital

Physically present in the room:

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# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
ASTENGO GIACOMO	Accountholder	ASTENGO GIACOMO	ASTENGO GIACOMO			100	0,00%
BRAGHERO CARLO MARIA	Accountholder	BRAGHERO CARLO MARIA	BRAGHERO CARLO MARIA			10	0,00%
CARADONNA GIANFRANCO MARIA	Accountholder	CARADONNA GIANFRANCO MARIA	CARADONNA GIANFRANCO MARIA			1	0,00%
ALBANO ARTURO	Delegate	ALPHA UCITS SICAV-AMBER EQUITY FUND	ALPHA UCITS SICAV-AMBER EQUITY FUND			986.783	0,49%
ALBANO ARTURO	Delegate	AMBER ACTIVE INVESTORS LIMITED	AMBER ACTIVE INVESTORS LIMITED			4.277.085	2,14%
ALBANO ARTURO	Delegate	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD			789.123	0,39%
ALBANO ARTURO	Delegate	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD			793.448	0,40%
BALDELLI SONIA	Delegate	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND			3.863	0,00%
BALDELLI SONIA	Delegate	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND			7.746	0,00%
BALDELLI SONIA	Delegate	ALASKA PERMANENT FUND CORPORATION	ALASKA PERMANENT FUND CORPORATION			17.502	0,01%
BALDELLI SONIA	Delegate	AQR INTERNATIONAL SMALL CAP EQUITY FUND, L.P.	AQR INTERNATIONAL SMALL CAP EQUITY FUND, L.P.			14.936	0,01%
BALDELLI SONIA	Delegate	BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B	BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B			24.125	0,01%
BALDELLI SONIA	Delegate	BGI MSCI EMU IMI INDEX FUND B	BGI MSCI EMU IMI INDEX FUND B			166	0,00%
BALDELLI SONIA	Delegate	BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F			13.161	0,01%
BALDELLI SONIA	Delegate	BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN	BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN			763	0,00%
BALDELLI SONIA	Delegate	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR			51.029	0,03%
BALDELLI SONIA	Delegate	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR			107.468	0,05%
BALDELLI SONIA	Delegate	BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN			4.504	0,00%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	BURROUGHS WELLCOME FUND	BURROUGHS WELLCOME FUND			1.823	0,00%
BALDELLI SONIA	Delegate	CAISSE DES DEPOTS ET CONSIGNATIONS	CAISSE DES DEPOTS ET CONSIGNATIONS			49.769	0,02%
BALDELLI SONIA	Delegate	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM			14.001	0,01%
BALDELLI SONIA	Delegate	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM			22.584	0,01%
BALDELLI SONIA	Delegate	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM			229.182	0,11%
BALDELLI SONIA	Delegate	CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM			51.171	0,03%
BALDELLI SONIA	Delegate	CF DV ACWI EX-U.S. IMI FUND	CF DV ACWI EX-U.S. IMI FUND			631	0,00%
BALDELLI SONIA	Delegate	CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALLCAP PASSIVE II	CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALLCAP PASSIVE II			3.090	0,00%
BALDELLI SONIA	Delegate	CHEVRON MASTER PENSION TRUST	CHEVRON MASTER PENSION TRUST			10.490	0,01%
BALDELLI SONIA	Delegate	CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN			17.684	0,01%
BALDELLI SONIA	Delegate	CITY OF NEW YORK GROUP TRUST	CITY OF NEW YORK GROUP TRUST			8.148	0,00%
BALDELLI SONIA	Delegate	CITY OF NEW YORK GROUP TRUST	CITY OF NEW YORK GROUP TRUST			13.827	0,01%
BALDELLI SONIA	Delegate	CITY OF NEW YORK GROUP TRUST	CITY OF NEW YORK GROUP TRUST			16.209	0,01%
BALDELLI SONIA	Delegate	COLLEGE RETIREMENT EQUITIES FUND	COLLEGE RETIREMENT EQUITIES FUND			145.349	0,07%
BALDELLI SONIA	Delegate	EASTSPRING INVESTMENTS	EASTSPRING INVESTMENTS			6.453	0,00%
BALDELLI SONIA	Delegate	FCP BNP EASY LOW CARBON100 EUROPE	FCP BNP EASY LOW CARBON100 EUROPE			2.972	0,00%
BALDELLI SONIA	Delegate	FCP ERAFP ACT IND11	FCP ERAFP ACT IND11			355.481	0,18%
BALDELLI SONIA	Delegate	FCP REGARD SEL.ACT EURO.	FCP REGARD SEL.ACT EURO.			69.540	0,03%
BALDELLI SONIA	Delegate	FIDELITY SAL ST T SPARTAN TOTAL INT IN F	FIDELITY SAL ST T SPARTAN TOTAL INT IN F			608	0,00%
BALDELLI SONIA	Delegate	FLEXSHARES MORNINGSTAR DEVELOPED MARKETS EX-US FACTOR TILT INDEX FUND	FLEXSHARES MORNINGSTAR DEVELOPED MARKETS EX-US FACTOR TILT INDEX FUND			2.145	0,00%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST	FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST			4.697	0,00%
BALDELLI SONIA	Delegate	FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST			132	0,00%
BALDELLI SONIA	Delegate	GAIKOKUKABU SUB FUND 1 LP	GAIKOKUKABU SUB FUND 1 LP			3.481	0,00%
BALDELLI SONIA	Delegate	GLOBAL INFRASTRUCTURE EQUITY FUND LONDON CAPITAL	GLOBAL INFRASTRUCTURE EQUITY FUND LONDON CAPITAL			3.192	0,00%
BALDELLI SONIA	Delegate	GLOBAL MANAGED VOLATILITY FUND	GLOBAL MANAGED VOLATILITY FUND			5.134	0,00%
BALDELLI SONIA	Delegate	GOVERNMENT OF NORWAY	GOVERNMENT OF NORWAY			2.230.460	1,12%
BALDELLI SONIA	Delegate	GOVERNMENT OF THE REPUBLIC OF SINGAPORE	GOVERNMENT OF THE REPUBLIC OF SINGAPORE			1.823	0,00%
BALDELLI SONIA	Delegate	HOME AFFAIRS UNIFORMED SERVICES (INVEST FUND)	HOME AFFAIRS UNIFORMED SERVICES (INVEST FUND)			1.850	0,00%
BALDELLI SONIA	Delegate	IBM 401K PLUS PLAN	IBM 401K PLUS PLAN			18.433	0,01%
BALDELLI SONIA	Delegate	INTERNATIONAL MONETARY FUND	INTERNATIONAL MONETARY FUND			1.556	0,00%
BALDELLI SONIA	Delegate	INTERNATIONAL MONETARY FUND	INTERNATIONAL MONETARY FUND			7.838	0,00%
BALDELLI SONIA	Delegate	ISHARES CORE MSCI EAFE ETF	ISHARES CORE MSCI EAFE ETF			132.237	0,07%
BALDELLI SONIA	Delegate	ISHARES CORE MSCI EAFE IMI INDEX ETF	ISHARES CORE MSCI EAFE IMI INDEX ETF			4.379	0,00%
BALDELLI SONIA	Delegate	ISHARES CORE MSCI EUROPE ETF	ISHARES CORE MSCI EUROPE ETF			26.738	0,01%
BALDELLI SONIA	Delegate	ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF			30.484	0,02%
BALDELLI SONIA	Delegate	ISHARES MSCI EAFE SMALL CAP ETF	ISHARES MSCI EAFE SMALL CAP ETF			392.084	0,20%
BALDELLI SONIA	Delegate	ISHARES MSCI EUROPE IMI INDEX ETF	ISHARES MSCI EUROPE IMI INDEX ETF			2.084	0,00%
BALDELLI SONIA	Delegate	ISHARES MSCI EUROPE SMALL-CAP ETF	ISHARES MSCI EUROPE SMALL-CAP ETF			7.513	0,00%
BALDELLI SONIA	Delegate	ISHARES VII PLC	ISHARES VII PLC			105.648	0,05%
BALDELLI SONIA	Delegate	Illinois State Board of Investment	Illinois State Board of Investment			9.569	0,00%
BALDELLI SONIA	Delegate	JPMORGAN FUNDS	JPMORGAN FUNDS			47.800	0,02%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF	LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF			5.168	0,00%
BALDELLI SONIA	Delegate	LBPAM RESPONSABLE ACTIONS ENVT	LBPAM RESPONSABLE ACTIONS ENVT			146.016	0,07%
BALDELLI SONIA	Delegate	LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST	LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST			2.580	0,00%
BALDELLI SONIA	Delegate	LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED			11.716	0,01%
BALDELLI SONIA	Delegate	LITESPEED MANAGEMENT LLC LITESPEED MASTER FUND LTD	LITESPEED MANAGEMENT LLC LITESPEED MASTER FUND LTD			7.903.597	3,95%
BALDELLI SONIA	Delegate	LONDON LIFE INSURANCE COMPANY .	LONDON LIFE INSURANCE COMPANY .			345.145	0,17%
BALDELLI SONIA	Delegate	LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM			13.093	0,01%
BALDELLI SONIA	Delegate	MACKENZIE DIVERSIFIED ALTERNATIVES FUND	MACKENZIE DIVERSIFIED ALTERNATIVES FUND			5.164	0,00%
BALDELLI SONIA	Delegate	MARYLAND STATE RETIREMENT & PENSION SYSTEM	MARYLAND STATE RETIREMENT & PENSION SYSTEM			1.062	0,00%
BALDELLI SONIA	Delegate	MERCER DIOCESE OF BROOKLYN LAY PENSION INVESTMENT TRUST	MERCER DIOCESE OF BROOKLYN LAY PENSION INVESTMENT TRUST			2.040	0,00%
BALDELLI SONIA	Delegate	MICHELIN NORTH AMERICA (CANADA) INC. MASTER TRUST	MICHELIN NORTH AMERICA (CANADA) INC. MASTER TRUST			5.319	0,00%
BALDELLI SONIA	Delegate	MICHELIN NORTH AMERICA INC. MASTER RETIREMENT TRUST	MICHELIN NORTH AMERICA INC. MASTER RETIREMENT TRUST			16.130	0,01%
BALDELLI SONIA	Delegate	MM SELECT EQUITY ASSET FUND	MM SELECT EQUITY ASSET FUND			1.515	0,00%
BALDELLI SONIA	Delegate	MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F			30.521	0,02%
BALDELLI SONIA	Delegate	MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO	MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO			7.537	0,00%
BALDELLI SONIA	Delegate	Mercer Unhedged Overseas Shares Trust	Mercer Unhedged Overseas Shares Trust			6.752	0,00%
BALDELLI SONIA	Delegate	NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P.R.C	NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P.R.C			10.341	0,01%
BALDELLI SONIA	Delegate	NATIONWIDE SMALL CAP INDEX FUND	NATIONWIDE SMALL CAP INDEX FUND			5.827	0,00%
BALDELLI SONIA	Delegate	NEW MEXICO STATE INVESTMENT	NEW MEXICO STATE INVESTMENT			2.248	0,00%



# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	COUNCIL NEW MEXICO STATE INVESTMENT COUNCIL	COUNCIL NEW MEXICO STATE INVESTMENT COUNCIL			3.797	0,00%
BALDELLI SONIA	Delegate	NEW ZEALAND SUPERANNUATION FUND	NEW ZEALAND SUPERANNUATION FUND			3.389	0,00%
BALDELLI SONIA	Delegate	NEW ZEALAND SUPERANNUATION FUND	NEW ZEALAND SUPERANNUATION FUND			7.050	0,00%
BALDELLI SONIA	Delegate	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST			26.596	0,01%
BALDELLI SONIA	Delegate	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST			66.958	0,03%
BALDELLI SONIA	Delegate	NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND			3.285	0,00%
BALDELLI SONIA	Delegate	OMERS ADMINISTRATION CORPORATION	OMERS ADMINISTRATION CORPORATION			6.905	0,00%
BALDELLI SONIA	Delegate	ONEPATH GLOBAL SHARES - SMALL CAP INDEX	ONEPATH GLOBAL SHARES - SMALL CAP INDEX			6.904	0,00%
BALDELLI SONIA	Delegate	PARAMETRIC INTERNATIONAL EQUITY FUND	PARAMETRIC INTERNATIONAL EQUITY FUND			6.279	0,00%
BALDELLI SONIA	Delegate	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO			18.026	0,01%
BALDELLI SONIA	Delegate	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO			10.439	0,01%
BALDELLI SONIA	Delegate	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO			25.970	0,01%
BALDELLI SONIA	Delegate	SAND GROVE OPPORTUNITIES MASTER FUND LTD	SAND GROVE OPPORTUNITIES MASTER FUND LTD			17.317	0,01%
BALDELLI SONIA	Delegate	SCHWAB FUNDAM INTER SMALL- COMP INDEX FD	SCHWAB FUNDAM INTER SMALL- COMP INDEX FD			15.107	0,01%
BALDELLI SONIA	Delegate	SCHWAB FUNDAMENTAL INTERNATIONAL SMALL COMPANY ETF	SCHWAB FUNDAMENTAL INTERNATIONAL SMALL COMPANY ETF			24.510	0,01%
BALDELLI SONIA	Delegate	SCHWAB INTERNATIONAL SMALL-CAP EQUITY ETF	SCHWAB INTERNATIONAL SMALL-CAP EQUITY ETF			58.816	0,03%
BALDELLI SONIA	Delegate	SEI GLOBAL ASSETS FUND PLC	SEI GLOBAL ASSETS FUND PLC			9.051	0,00%

# ORDINARY SHAREHOLDER MEETING

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Ansaldo STS A Hitachi Group Company

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Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	SEI INSTITUTIONAL MANAGED TRUST-TAX-MANAGED INTERNATIONAL MANAGED	SEI INSTITUTIONAL MANAGED TRUST-TAX-MANAGED INTERNATIONAL MANAGED			23.482	0,01%
BALDELLI SONIA	Delegate	SPDR S+P INTERNATIONAL INDUSTRIAL SECTOR ETF	SPDR S+P INTERNATIONAL INDUSTRIAL SECTOR ETF			3.940	0,00%
BALDELLI SONIA	Delegate	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL			1.895	0,00%
BALDELLI SONIA	Delegate	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL			19.958	0,01%
BALDELLI SONIA	Delegate	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL			54.514	0,03%
BALDELLI SONIA	Delegate	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL			100.291	0,05%
BALDELLI SONIA	Delegate	SSGA RUSSELL FD GL EX-US INDEX NONLENDING QP COMMON TRUST FUND	SSGA RUSSELL FD GL EX-US INDEX NONLENDING QP COMMON TRUST FUND			1.033	0,00%
BALDELLI SONIA	Delegate	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY			330	0,00%
BALDELLI SONIA	Delegate	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY			1.072	0,00%
BALDELLI SONIA	Delegate	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY			8.981	0,00%
BALDELLI SONIA	Delegate	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY			9.111	0,00%
BALDELLI SONIA	Delegate	STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	STATE OF ALASKA RETIREMENT AND BENEFITS PLANS			3.495	0,00%
BALDELLI SONIA	Delegate	STG PFDS V.D. GRAFISCHE	STG PFDS V.D. GRAFISCHE			36.631	0,02%
BALDELLI SONIA	Delegate	STICHTING PENSIOENFONDS APF	STICHTING PENSIOENFONDS APF			2.611	0,00%
BALDELLI SONIA	Delegate	STICHTING PENSIOENFONDS VOOR HUISARTSEN	STICHTING PENSIOENFONDS VOOR HUISARTSEN			7.250	0,00%
BALDELLI SONIA	Delegate	STICHTING PHILIPS PENSIOENFONDS	STICHTING PHILIPS PENSIOENFONDS			14.946	0,01%
BALDELLI SONIA	Delegate	STP NUCLEAR OPERATING COMPANY RETIREMENT TRUST	STP NUCLEAR OPERATING COMPANY RETIREMENT TRUST			3.253	0,00%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	SUNSUPER SUPERANNUATION FUND	SUNSUPER SUPERANNUATION FUND			4.230	0,00%
BALDELLI SONIA	Delegate	SYMMETRY COMPREHENSIVE EQUITY FUND	SYMMETRY COMPREHENSIVE EQUITY FUND			106.009	0,05%
BALDELLI SONIA	Delegate	TAX - MANAGED INTERNATIONAL EQUITY PORTFOLIO	TAX - MANAGED INTERNATIONAL EQUITY PORTFOLIO			2.606	0,00%
BALDELLI SONIA	Delegate	TEXAS SCOTTISH RITE HOSPITAL FOR CRIPPLED CHILDREN	TEXAS SCOTTISH RITE HOSPITAL FOR CRIPPLED CHILDREN			5.272	0,00%
BALDELLI SONIA	Delegate	THE ADV.INNER C.CORNERST.AD.GL.PUB.EQ. F	THE ADV.INNER C.CORNERST.AD.GL.PUB.EQ. F			5.099	0,00%
BALDELLI SONIA	Delegate	THE ARBITRAGE TACTICAL EQUITY FUND	THE ARBITRAGE TACTICAL EQUITY FUND			701	0,00%
BALDELLI SONIA	Delegate	THE CANADA LIFE ASSURANCE COMPANY	THE CANADA LIFE ASSURANCE COMPANY			37.299	0,02%
BALDELLI SONIA	Delegate	THE GREAT-WEST LIFE ASSURANCE COMPANY	THE GREAT-WEST LIFE ASSURANCE COMPANY			29.888	0,01%
BALDELLI SONIA	Delegate	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA			12	0,00%
BALDELLI SONIA	Delegate	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA			31	0,00%
BALDELLI SONIA	Delegate	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA			461	0,00%
BALDELLI SONIA	Delegate	TRUST AND CUSTODY SERVICED BANK LIMITED	TRUST AND CUSTODY SERVICED BANK LIMITED			2.261	0,00%
BALDELLI SONIA	Delegate	U.S. AND INTERNATIONAL SPECIALTY CLASS	U.S. AND INTERNATIONAL SPECIALTY CLASS			2.574	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			1.487	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			3.758	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			3.924	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			6.040	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			6.749	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			8.350	0,00%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			11.343	0,01%
BALDELLI SONIA	Delegate	UBS (US) GROUP TRUST	UBS (US) GROUP TRUST			4.003	0,00%
BALDELLI SONIA	Delegate	UBS ETF	UBS ETF			6.038	0,00%
BALDELLI SONIA	Delegate	UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII			20.005	0,01%
BALDELLI SONIA	Delegate	UTAH STATE RETIREMENT SYSTEMS	UTAH STATE RETIREMENT SYSTEMS			5.208	0,00%
BALDELLI SONIA	Delegate	UTAH STATE RETIREMENT SYSTEMS	UTAH STATE RETIREMENT SYSTEMS			5.487	0,00%
BALDELLI SONIA	Delegate	VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUND	VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUND			154	0,00%
BALDELLI SONIA	Delegate	VANGUARD DEVELOPED MARKETS INDEX FUND	VANGUARD DEVELOPED MARKETS INDEX FUND			411.701	0,21%
BALDELLI SONIA	Delegate	VANGUARD EUROPEAN STOCK INDEX FUND	VANGUARD EUROPEAN STOCK INDEX FUND			186.438	0,09%
BALDELLI SONIA	Delegate	VANGUARD FTSE ALL-WORLD EX-US SMALL CAP INDEX FUND	VANGUARD FTSE ALL-WORLD EX-US SMALL CAP INDEX FUND			161.640	0,08%
BALDELLI SONIA	Delegate	VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF			615	0,00%
BALDELLI SONIA	Delegate	VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF			831	0,00%
BALDELLI SONIA	Delegate	VANGUARD INTERNATIONAL SMALL COMPANIES I	VANGUARD INTERNATIONAL SMALL COMPANIES I			3.244	0,00%
BALDELLI SONIA	Delegate	VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUND	VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUND			102	0,00%
BALDELLI SONIA	Delegate	VANGUARD INVESTMENT SERIES PLC	VANGUARD INVESTMENT SERIES PLC			19.027	0,01%
BALDELLI SONIA	Delegate	VANGUARD TOTAL INTERNATIONAL STOCK INDEX	VANGUARD TOTAL INTERNATIONAL STOCK INDEX			1.150.369	0,58%
BALDELLI SONIA	Delegate	VANGUARD TOTAL WORLD STOCK INDEX FUND	VANGUARD TOTAL WORLD STOCK INDEX FUND			39.078	0,02%
BALDELLI SONIA	Delegate	WASHINGTON STATE INVESTMENT BOARD	WASHINGTON STATE INVESTMENT BOARD			4.560	0,00%
BALDELLI SONIA		WASHINGTON STATE	WASHINGTON STATE			57.475	0,03%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
	Delegate	INVESTMENT BOARD	INVESTMENT BOARD				
BALDELLI SONIA	Delegate	WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR			7.638	0,00%
BALDELLI SONIA	Delegate	WELLS FARGOMASTER TRUST DIVERSIFIED STOCK PORTFOLIO	WELLS FARGOMASTER TRUST DIVERSIFIED STOCK PORTFOLIO			4.371	0,00%
BALDELLI SONIA	Delegate	WEST YORKSHIRE PENSION FUND	WEST YORKSHIRE PENSION FUND			141.164	0,07%
BALDELLI SONIA	Delegate	WHEELS COMMON INVESTMENT FUND	WHEELS COMMON INVESTMENT FUND			4.969	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND			23.130	0,01%
BALDELLI SONIA	Delegate	WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL SMALLCAP	WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL SMALLCAP			168	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE EUROPE HEDGED EQUITY INDEX ETF	WISDOMTREE EUROPE HEDGED EQUITY INDEX ETF			414	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND			40.519	0,02%
BALDELLI SONIA	Delegate	WISDOMTREE EUROPE LOCAL RECOVERY FUND	WISDOMTREE EUROPE LOCAL RECOVERY FUND			886	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND	WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND			123	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE INTERNATIONAL SMALLCAP DIVIDEND FUND	WISDOMTREE INTERNATIONAL SMALLCAP DIVIDEND FUND			131.531	0,07%
BALDELLI SONIA	Delegate	WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	WISDOMTREE ISSUER PUBLIC LIMITED COMPANY			257	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	WISDOMTREE ISSUER PUBLIC LIMITED COMPANY			3.737	0,00%
BALDELLI SONIA	Delegate	WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO	WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO			783	0,00%
COCIRIO STEFANO	Delegate	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERMUDA) LTD	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERMUDA) LTD			1.041.854	0,52%
FURLANI GIORGIO ARONNE	Delegate	ELLIOTT INTERNATIONAL L.P	ELLIOTT INTERNATIONAL L.P			24.813.093	12,41%
FURLANI GIORGIO ARONNE	Delegate	ELLIOTT INTERNATIONAL L.P., C/O	ELLIOTT INTERNATIONAL L.P., C/O			1.027.285	0,51%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
FURLANI GIORGIO ARONNE	Delegate	MAPLES CORPORATE SERVICES LIMITED ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED	MAPLES CORPORATE SERVICES LIMITED ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED			2.584.378	1,29%
PRATELLI MATTEO MARIA	Delegate	ELLIOTT ASSOCIATES LP C/O THE CORPORATION TRUST COMPANY CORPORATION TRUST CENTER	ELLIOTT ASSOCIATES LP C/O THE CORPORATION TRUST COMPANY CORPORATION TRUST CENTER			505.977	0,25%
PREMONTE RAIMONDO	Delegate	HITACHI RAIL ITALY INVESTMENTS	HITACHI RAIL ITALY INVESTMENTS			101.544.702	50,77%
SCIANNACA BRUNO	Delegate	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED			2.587.349	1,29%
SUCCI GIANPIERO	Delegate	THE LIVERPOOL LIMITED PARTNERSHIP	THE LIVERPOOL LIMITED PARTNERSHIP			11.956.212	5,98%
TARICCO MARCO	Attorney	BLUEBELL PARTNERS LIMITED	BLUEBELL PARTNERS LIMITED			10	0,00%
TARICCO MARCO	Delegate	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERMUDA) LTD	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERMUDA) LTD			570.795	0,29%

#### TOTAL PARTICIPANTS

n° 174 entitled to vote representing no. 169.580.479 ordinary shares

# Ansaldo STS S.p.A

## ORDINARY SHAREHOLDER MEETING - 19TH JANUARY 2017

### COMMUNICATION OF THE PRESIDENT

Present directly representing their own shares or by proxy are no. **173** entitled to vote representing no. **169.580.478** ordinary shares equal to 84,79 % of no. 200.000.000 (two hundred million) ordinary shares, making up the share capital

Physically present in the room:

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# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
ASTENGO GIACOMO	Accountholder	ASTENGO GIACOMO	ASTENGO GIACOMO			100	0,00%
BRAGHERO CARLO MARIA	Accountholder	BRAGHERO CARLO MARIA	BRAGHERO CARLO MARIA			10	0,00%
ALBANO ARTURO	Delegate	ALPHA UCITS SICAV-AMBER EQUITY FUND	ALPHA UCITS SICAV-AMBER EQUITY FUND			986.783	0,49%
ALBANO ARTURO	Delegate	AMBER ACTIVE INVESTORS LIMITED	AMBER ACTIVE INVESTORS LIMITED			4.277.085	2,14%
ALBANO ARTURO	Delegate	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD			789.123	0,39%
ALBANO ARTURO	Delegate	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD			793.448	0,40%
BALDELLI SONIA	Delegate	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND			3.863	0,00%
BALDELLI SONIA	Delegate	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND			7.746	0,00%
BALDELLI SONIA	Delegate	ALASKA PERMANENT FUND CORPORATION	ALASKA PERMANENT FUND CORPORATION			17.502	0,01%
BALDELLI SONIA	Delegate	AQR INTERNATIONAL SMALL CAP EQUITY FUND, L.P.	AQR INTERNATIONAL SMALL CAP EQUITY FUND, L.P.			14.936	0,01%
BALDELLI SONIA	Delegate	BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B	BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B			24.125	0,01%
BALDELLI SONIA	Delegate	BGI MSCI EMU IMI INDEX FUND B	BGI MSCI EMU IMI INDEX FUND B			166	0,00%
BALDELLI SONIA	Delegate	BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F			13.161	0,01%
BALDELLI SONIA	Delegate	BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN	BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN			763	0,00%
BALDELLI SONIA	Delegate	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR			51.029	0,03%
BALDELLI SONIA	Delegate	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR			107.468	0,05%
BALDELLI SONIA	Delegate	BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN			4.504	0,00%
BALDELLI SONIA	Delegate	BURROUGHS WELLCOME FUND	BURROUGHS WELLCOME FUND			1.823	0,00%
BALDELLI SONIA	Delegate	CAISSE DES DEPOTS ET	CAISSE DES DEPOTS ET			49.769	0,02%



# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	CONSIGNATIONS CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	CONSIGNATIONS CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM			14.001	0,01%
BALDELLI SONIA	Delegate	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM			22.584	0,01%
BALDELLI SONIA	Delegate	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM			229.182	0,11%
BALDELLI SONIA	Delegate	CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM			51.171	0,03%
BALDELLI SONIA	Delegate	CF DV ACWI EX-U.S. IMI FUND	CF DV ACWI EX-U.S. IMI FUND			631	0,00%
BALDELLI SONIA	Delegate	CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALLCAP PASSIVE II	CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALLCAP PASSIVE II			3.090	0,00%
BALDELLI SONIA	Delegate	CHEVRON MASTER PENSION TRUST	CHEVRON MASTER PENSION TRUST			10.490	0,01%
BALDELLI SONIA	Delegate	CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN			17.684	0,01%
BALDELLI SONIA	Delegate	CITY OF NEW YORK GROUP TRUST	CITY OF NEW YORK GROUP TRUST			8.148	0,00%
BALDELLI SONIA	Delegate	CITY OF NEW YORK GROUP TRUST	CITY OF NEW YORK GROUP TRUST			13.827	0,01%
BALDELLI SONIA	Delegate	CITY OF NEW YORK GROUP TRUST	CITY OF NEW YORK GROUP TRUST			16.209	0,01%
BALDELLI SONIA	Delegate	COLLEGE RETIREMENT EQUITIES FUND	COLLEGE RETIREMENT EQUITIES FUND			145.349	0,07%
BALDELLI SONIA	Delegate	EASTSPRING INVESTMENTS	EASTSPRING INVESTMENTS			6.453	0,00%
BALDELLI SONIA	Delegate	FCP BNP EASY LOW CARBON100 EUROPE	FCP BNP EASY LOW CARBON100 EUROPE			2.972	0,00%
BALDELLI SONIA	Delegate	FCP ERAFP ACT IND11	FCP ERAFP ACT IND11			355.481	0,18%
BALDELLI SONIA	Delegate	FCP REGARD SEL.ACT EURO.	FCP REGARD SEL.ACT EURO.			69.540	0,03%
BALDELLI SONIA	Delegate	FIDELITY SAL ST T SPARTAN TOTAL INT IN F	FIDELITY SAL ST T SPARTAN TOTAL INT IN F			608	0,00%
BALDELLI SONIA	Delegate	FLEXSHARES MORNINGSTAR DEVELOPED MARKETS EX-US FACTOR TILT INDEX FUND	FLEXSHARES MORNINGSTAR DEVELOPED MARKETS EX-US FACTOR TILT INDEX FUND			2.145	0,00%
BALDELLI SONIA	Delegate	FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST	FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST			4.697	0,00%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST			132	0,00%
BALDELLI SONIA	Delegate	GAIKOKUKABU SUB FUND 1 LP	GAIKOKUKABU SUB FUND 1 LP			3.481	0,00%
BALDELLI SONIA	Delegate	GLOBAL INFRASTRUCTURE EQUITY FUND LONDON CAPITAL	GLOBAL INFRASTRUCTURE EQUITY FUND LONDON CAPITAL			3.192	0,00%
BALDELLI SONIA	Delegate	GLOBAL MANAGED VOLATILITY FUND	GLOBAL MANAGED VOLATILITY FUND			5.134	0,00%
BALDELLI SONIA	Delegate	GOVERNMENT OF NORWAY	GOVERNMENT OF NORWAY			2.230.460	1,12%
BALDELLI SONIA	Delegate	GOVERNMENT OF THE REPUBLIC OF SINGAPORE	GOVERNMENT OF THE REPUBLIC OF SINGAPORE			1.823	0,00%
BALDELLI SONIA	Delegate	HOME AFFAIRS UNIFORMED SERVICES (INVEST FUND)	HOME AFFAIRS UNIFORMED SERVICES (INVEST FUND)			1.850	0,00%
BALDELLI SONIA	Delegate	IBM 401K PLUS PLAN	IBM 401K PLUS PLAN			18.433	0,01%
BALDELLI SONIA	Delegate	INTERNATIONAL MONETARY FUND	INTERNATIONAL MONETARY FUND			1.556	0,00%
BALDELLI SONIA	Delegate	INTERNATIONAL MONETARY FUND	INTERNATIONAL MONETARY FUND			7.838	0,00%
BALDELLI SONIA	Delegate	ISHARES CORE MSCI EAFE ETF	ISHARES CORE MSCI EAFE ETF			132.237	0,07%
BALDELLI SONIA	Delegate	ISHARES CORE MSCI EAFE IMI INDEX ETF	ISHARES CORE MSCI EAFE IMI INDEX ETF			4.379	0,00%
BALDELLI SONIA	Delegate	ISHARES CORE MSCI EUROPE ETF	ISHARES CORE MSCI EUROPE ETF			26.738	0,01%
BALDELLI SONIA	Delegate	ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF			30.484	0,02%
BALDELLI SONIA	Delegate	ISHARES MSCI EAFE SMALL CAP ETF	ISHARES MSCI EAFE SMALL CAP ETF			392.084	0,20%
BALDELLI SONIA	Delegate	ISHARES MSCI EUROPE IMI INDEX ETF	ISHARES MSCI EUROPE IMI INDEX ETF			2.084	0,00%
BALDELLI SONIA	Delegate	ISHARES MSCI EUROPE SMALL-CAP ETF	ISHARES MSCI EUROPE SMALL-CAP ETF			7.513	0,00%
BALDELLI SONIA	Delegate	ISHARES VII PLC	ISHARES VII PLC			105.648	0,05%
BALDELLI SONIA	Delegate	Illinois State Board of Investment	Illinois State Board of Investment			9.569	0,00%
BALDELLI SONIA	Delegate	JPMORGAN FUNDS	JPMORGAN FUNDS			47.800	0,02%
BALDELLI SONIA	Delegate	LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF	LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF			5.168	0,00%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	LBPAM RESPONSABLE ACTIONS ENV T	LBPAM RESPONSABLE ACTIONS ENV T			146.016	0,07%
BALDELLI SONIA	Delegate	LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST	LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST			2.580	0,00%
BALDELLI SONIA	Delegate	LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED			11.716	0,01%
BALDELLI SONIA	Delegate	LITESPEED MANAGEMENT LLC LITESPEED MASTER FUND LTD	LITESPEED MANAGEMENT LLC LITESPEED MASTER FUND LTD			7.903.597	3,95%
BALDELLI SONIA	Delegate	LONDON LIFE INSURANCE COMPANY .	LONDON LIFE INSURANCE COMPANY .			345.145	0,17%
BALDELLI SONIA	Delegate	LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM			13.093	0,01%
BALDELLI SONIA	Delegate	MACKENZIE DIVERSIFIED ALTERNATIVES FUND	MACKENZIE DIVERSIFIED ALTERNATIVES FUND			5.164	0,00%
BALDELLI SONIA	Delegate	MARYLAND STATE RETIREMENT & PENSION SYSTEM	MARYLAND STATE RETIREMENT & PENSION SYSTEM			1.062	0,00%
BALDELLI SONIA	Delegate	MERCER DIOCESE OF BROOKLYN LAY PENSION INVESTMENT TRUST	MERCER DIOCESE OF BROOKLYN LAY PENSION INVESTMENT TRUST			2.040	0,00%
BALDELLI SONIA	Delegate	MICHELIN NORTH AMERICA (CANADA) INC. MASTER TRUST	MICHELIN NORTH AMERICA (CANADA) INC. MASTER TRUST			5.319	0,00%
BALDELLI SONIA	Delegate	MICHELIN NORTH AMERICA INC. MASTER RETIREMENT TRUST	MICHELIN NORTH AMERICA INC. MASTER RETIREMENT TRUST			16.130	0,01%
BALDELLI SONIA	Delegate	MM SELECT EQUITY ASSET FUND	MM SELECT EQUITY ASSET FUND			1.515	0,00%
BALDELLI SONIA	Delegate	MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F			30.521	0,02%
BALDELLI SONIA	Delegate	MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO	MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO			7.537	0,00%
BALDELLI SONIA	Delegate	Mercer Unhedged Overseas Shares Trust	Mercer Unhedged Overseas Shares Trust			6.752	0,00%
BALDELLI SONIA	Delegate	NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P.R.C	NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P.R.C			10.341	0,01%
BALDELLI SONIA	Delegate	NATIONWIDE SMALL CAP INDEX FUND	NATIONWIDE SMALL CAP INDEX FUND			5.827	0,00%
BALDELLI SONIA	Delegate	NEW MEXICO STATE INVESTMENT COUNCIL	NEW MEXICO STATE INVESTMENT COUNCIL			2.248	0,00%
BALDELLI SONIA	Delegate	NEW MEXICO STATE INVESTMENT	NEW MEXICO STATE INVESTMENT			3.797	0,00%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	COUNCIL NEW ZEALAND SUPERANNUATION FUND	COUNCIL NEW ZEALAND SUPERANNUATION FUND			3.389	0,00%
BALDELLI SONIA	Delegate	NEW ZEALAND SUPERANNUATION FUND	NEW ZEALAND SUPERANNUATION FUND			7.050	0,00%
BALDELLI SONIA	Delegate	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST			26.596	0,01%
BALDELLI SONIA	Delegate	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST			66.958	0,03%
BALDELLI SONIA	Delegate	NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND			3.285	0,00%
BALDELLI SONIA	Delegate	OMERS ADMINISTRATION CORPORATION	OMERS ADMINISTRATION CORPORATION			6.905	0,00%
BALDELLI SONIA	Delegate	ONEPATH GLOBAL SHARES - SMALL CAP INDEX	ONEPATH GLOBAL SHARES - SMALL CAP INDEX			6.904	0,00%
BALDELLI SONIA	Delegate	PARAMETRIC INTERNATIONAL EQUITY FUND	PARAMETRIC INTERNATIONAL EQUITY FUND			6.279	0,00%
BALDELLI SONIA	Delegate	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO			18.026	0,01%
BALDELLI SONIA	Delegate	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO			10.439	0,01%
BALDELLI SONIA	Delegate	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO			25.970	0,01%
BALDELLI SONIA	Delegate	SAND GROVE OPPORTUNITIES MASTER FUND LTD	SAND GROVE OPPORTUNITIES MASTER FUND LTD			17.317	0,01%
BALDELLI SONIA	Delegate	SCHWAB FUNDAM INTER SMALL-COMP INDEX FD	SCHWAB FUNDAM INTER SMALL-COMP INDEX FD			15.107	0,01%
BALDELLI SONIA	Delegate	SCHWAB FUNDAMENTAL INTERNATIONAL SMALL COMPANY ETF	SCHWAB FUNDAMENTAL INTERNATIONAL SMALL COMPANY ETF			24.510	0,01%
BALDELLI SONIA	Delegate	SCHWAB INTERNATIONAL SMALL-CAP EQUITY ETF	SCHWAB INTERNATIONAL SMALL-CAP EQUITY ETF			58.816	0,03%
BALDELLI SONIA	Delegate	SEI GLOBAL ASSETS FUND PLC	SEI GLOBAL ASSETS FUND PLC			9.051	0,00%
BALDELLI SONIA	Delegate	SEI INSTITUTIONAL MANAGED TRUST-TAX-MANAGED	SEI INSTITUTIONAL MANAGED TRUST-TAX-MANAGED			23.482	0,01%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	INTERNATIONAL MANAGED SPDR S+P INTERNATIONAL INDUSTRIAL SECTOR ETF	INTERNATIONAL MANAGED SPDR S+P INTERNATIONAL INDUSTRIAL SECTOR ETF			3.940	0,00%
BALDELLI SONIA	Delegate	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL			1.895	0,00%
BALDELLI SONIA	Delegate	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL			19.958	0,01%
BALDELLI SONIA	Delegate	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL			54.514	0,03%
BALDELLI SONIA	Delegate	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL			100.291	0,05%
BALDELLI SONIA	Delegate	SSGA RUSSELL FD GL EX-US INDEX NONLENDING QP COMMON TRUST FUND	SSGA RUSSELL FD GL EX-US INDEX NONLENDING QP COMMON TRUST FUND			1.033	0,00%
BALDELLI SONIA	Delegate	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY			330	0,00%
BALDELLI SONIA	Delegate	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY			1.072	0,00%
BALDELLI SONIA	Delegate	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY			8.981	0,00%
BALDELLI SONIA	Delegate	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY			9.111	0,00%
BALDELLI SONIA	Delegate	STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	STATE OF ALASKA RETIREMENT AND BENEFITS PLANS			3.495	0,00%
BALDELLI SONIA	Delegate	STG PFDS V.D. GRAFISCHE	STG PFDS V.D. GRAFISCHE			36.631	0,02%
BALDELLI SONIA	Delegate	STICHTING PENSIOENFONDS APF	STICHTING PENSIOENFONDS APF			2.611	0,00%
BALDELLI SONIA	Delegate	STICHTING PENSIOENFONDS VOOR HUISARTSEN	STICHTING PENSIOENFONDS VOOR HUISARTSEN			7.250	0,00%
BALDELLI SONIA	Delegate	STICHTING PHILIPS PENSIOENFONDS	STICHTING PHILIPS PENSIOENFONDS			14.946	0,01%
BALDELLI SONIA	Delegate	STP NUCLEAR OPERATING COMPANY RETIREMENT TRUST	STP NUCLEAR OPERATING COMPANY RETIREMENT TRUST			3.253	0,00%
BALDELLI SONIA	Delegate	SUNSUPER SUPERANNUATION FUND	SUNSUPER SUPERANNUATION FUND			4.230	0,00%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	SYMMETRY COMPREHENSIVE EQUITY FUND	SYMMETRY COMPREHENSIVE EQUITY FUND			106.009	0,05%
BALDELLI SONIA	Delegate	TAX - MANAGED INTERNATIONAL EQUITY PORTFOLIO	TAX - MANAGED INTERNATIONAL EQUITY PORTFOLIO			2.606	0,00%
BALDELLI SONIA	Delegate	TEXAS SCOTTISH RITE HOSPITAL FOR CRIPPLED CHILDREN	TEXAS SCOTTISH RITE HOSPITAL FOR CRIPPLED CHILDREN			5.272	0,00%
BALDELLI SONIA	Delegate	THE ADV.INNER C.CORNERST.AD.GL.PUB.EQ. F	THE ADV.INNER C.CORNERST.AD.GL.PUB.EQ. F			5.099	0,00%
BALDELLI SONIA	Delegate	THE ARBITRAGE TACTICAL EQUITY FUND	THE ARBITRAGE TACTICAL EQUITY FUND			701	0,00%
BALDELLI SONIA	Delegate	THE CANADA LIFE ASSURANCE COMPANY	THE CANADA LIFE ASSURANCE COMPANY			37.299	0,02%
BALDELLI SONIA	Delegate	THE GREAT-WEST LIFE ASSURANCE COMPANY	THE GREAT-WEST LIFE ASSURANCE COMPANY			29.888	0,01%
BALDELLI SONIA	Delegate	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA			12	0,00%
BALDELLI SONIA	Delegate	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA			31	0,00%
BALDELLI SONIA	Delegate	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA			461	0,00%
BALDELLI SONIA	Delegate	TRUST AND CUSTODY SERVICED BANK LIMITED	TRUST AND CUSTODY SERVICED BANK LIMITED			2.261	0,00%
BALDELLI SONIA	Delegate	U.S. AND INTERNATIONAL SPECIALTY CLASS	U.S. AND INTERNATIONAL SPECIALTY CLASS			2.574	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			1.487	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			3.758	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			3.924	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			6.040	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			6.749	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			8.350	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			11.343	0,01%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	UBS (US) GROUP TRUST	UBS (US) GROUP TRUST			4.003	0,00%
BALDELLI SONIA	Delegate	UBS ETF	UBS ETF			6.038	0,00%
BALDELLI SONIA	Delegate	UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII			20.005	0,01%
BALDELLI SONIA	Delegate	UTAH STATE RETIREMENT SYSTEMS	UTAH STATE RETIREMENT SYSTEMS			5.208	0,00%
BALDELLI SONIA	Delegate	UTAH STATE RETIREMENT SYSTEMS	UTAH STATE RETIREMENT SYSTEMS			5.487	0,00%
BALDELLI SONIA	Delegate	VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUND	VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUND			154	0,00%
BALDELLI SONIA	Delegate	VANGUARD DEVELOPED MARKETS INDEX FUND	VANGUARD DEVELOPED MARKETS INDEX FUND			411.701	0,21%
BALDELLI SONIA	Delegate	VANGUARD EUROPEAN STOCK INDEX FUND	VANGUARD EUROPEAN STOCK INDEX FUND			186.438	0,09%
BALDELLI SONIA	Delegate	VANGUARD FTSE ALL-WORLD EX-US SMALL CAP INDEX FUND	VANGUARD FTSE ALL-WORLD EX-US SMALL CAP INDEX FUND			161.640	0,08%
BALDELLI SONIA	Delegate	VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF			615	0,00%
BALDELLI SONIA	Delegate	VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF			831	0,00%
BALDELLI SONIA	Delegate	VANGUARD INTERNATIONAL SMALL COMPANIES I	VANGUARD INTERNATIONAL SMALL COMPANIES I			3.244	0,00%
BALDELLI SONIA	Delegate	VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUND	VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUND			102	0,00%
BALDELLI SONIA	Delegate	VANGUARD INVESTMENT SERIES PLC	VANGUARD INVESTMENT SERIES PLC			19.027	0,01%
BALDELLI SONIA	Delegate	VANGUARD TOTAL INTERNATIONAL STOCK INDEX	VANGUARD TOTAL INTERNATIONAL STOCK INDEX			1.150.369	0,58%
BALDELLI SONIA	Delegate	VANGUARD TOTAL WORLD STOCK INDEX FUND	VANGUARD TOTAL WORLD STOCK INDEX FUND			39.078	0,02%
BALDELLI SONIA	Delegate	WASHINGTON STATE INVESTMENT BOARD	WASHINGTON STATE INVESTMENT BOARD			4.560	0,00%
BALDELLI SONIA	Delegate	WASHINGTON STATE INVESTMENT BOARD	WASHINGTON STATE INVESTMENT BOARD			57.475	0,03%
BALDELLI SONIA		WELLS FARGO BK DECL OF TR	WELLS FARGO BK DECL OF TR			7.638	0,00%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
	Delegate	EST INV FUNDS FOR EMPLOYEE BEN TR	EST INV FUNDS FOR EMPLOYEE BEN TR				
BALDELLI SONIA	Delegate	WELLS FARGOMASTER TRUST DIVERSIFIED STOCK PORTFOLIO	WELLS FARGOMASTER TRUST DIVERSIFIED STOCK PORTFOLIO			4.371	0,00%
BALDELLI SONIA	Delegate	WEST YORKSHIRE PENSION FUND	WEST YORKSHIRE PENSION FUND			141.164	0,07%
BALDELLI SONIA	Delegate	WHEELS COMMON INVESTMENT FUND	WHEELS COMMON INVESTMENT FUND			4.969	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND			23.130	0,01%
BALDELLI SONIA	Delegate	WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL SMALLCAP	WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL SMALLCAP			168	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE EUROPE HEDGED EQUITY INDEX ETF	WISDOMTREE EUROPE HEDGED EQUITY INDEX ETF			414	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND			40.519	0,02%
BALDELLI SONIA	Delegate	WISDOMTREE EUROPE LOCAL RECOVERY FUND	WISDOMTREE EUROPE LOCAL RECOVERY FUND			886	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND	WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND			123	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE INTERNATIONAL SMALLCAP DIVIDEND FUND	WISDOMTREE INTERNATIONAL SMALLCAP DIVIDEND FUND			131.531	0,07%
BALDELLI SONIA	Delegate	WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	WISDOMTREE ISSUER PUBLIC LIMITED COMPANY			257	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	WISDOMTREE ISSUER PUBLIC LIMITED COMPANY			3.737	0,00%
BALDELLI SONIA	Delegate	WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO	WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO			783	0,00%
COCIRIO STEFANO	Delegate	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERMUDA) LTD	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERMUDA) LTD			1.041.854	0,52%
FURLANI GIORGIO ARONNE	Delegate	ELLIOTT INTERNATIONAL L.P	ELLIOTT INTERNATIONAL L.P			24.813.093	12,41%
FURLANI GIORGIO ARONNE	Delegate	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED			1.027.285	0,51%



# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
FURLANI GIORGIO ARONNE	Delegate	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED			2.584.378	1,29%
PRATELLI MATTEO MARIA	Delegate	ELLIOTT ASSOCIATES LP C/O THE CORPORATION TRUST COMPANY CORPORATION TRUST CENTER	ELLIOTT ASSOCIATES LP C/O THE CORPORATION TRUST COMPANY CORPORATION TRUST CENTER			505.977	0,25%
PREMONTE RAIMONDO	Delegate	HITACHI RAIL ITALY INVESTMENTS	HITACHI RAIL ITALY INVESTMENTS			101.544.702	50,77%
SCIANNACA BRUNO	Delegate	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED			2.587.349	1,29%
SUCCI GIANPIERO	Delegate	THE LIVERPOOL LIMITED PARTNERSHIP	THE LIVERPOOL LIMITED PARTNERSHIP			11.956.212	5,98%
TARICCO MARCO	Attorney	BLUEBELL PARTNERS LIMITED	BLUEBELL PARTNERS LIMITED			10	0,00%
TARICCO MARCO	Delegate	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERMUDA) LTD	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERMUDA) LTD			570.795	0,29%

#### TOTAL PARTICIPANTS

n° 173 entitled to vote representing no. 169.580.478 ordinary shares

# Ansaldo STS S.p.A

## ORDINARY SHAREHOLDER MEETING - 19TH JANUARY 2017

### COMMUNICATION OF THE PRESIDENT

Present directly representing their own shares or by proxy are no. **174** entitled to vote representing no. **169.580.479** ordinary shares equal to 84,79 % of no. 200.000.000 (two hundred million) ordinary shares, making up the share capital

Physically present in the room:

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# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
ASTENGO GIACOMO	Accountholder	ASTENGO GIACOMO	ASTENGO GIACOMO			100	0,00%
BRAGHERO CARLO MARIA	Accountholder	BRAGHERO CARLO MARIA	BRAGHERO CARLO MARIA			10	0,00%
CARADONNA GIANFRANCO MARIA	Accountholder	CARADONNA GIANFRANCO MARIA	CARADONNA GIANFRANCO MARIA			1	0,00%
ALBANO ARTURO	Delegate	ALPHA UCITS SICAV-AMBER EQUITY FUND	ALPHA UCITS SICAV-AMBER EQUITY FUND			986.783	0,49%
ALBANO ARTURO	Delegate	AMBER ACTIVE INVESTORS LIMITED	AMBER ACTIVE INVESTORS LIMITED			4.277.085	2,14%
ALBANO ARTURO	Delegate	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD			789.123	0,39%
ALBANO ARTURO	Delegate	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD			793.448	0,40%
BALDELLI SONIA	Delegate	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND			3.863	0,00%
BALDELLI SONIA	Delegate	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND			7.746	0,00%
BALDELLI SONIA	Delegate	ALASKA PERMANENT FUND CORPORATION	ALASKA PERMANENT FUND CORPORATION			17.502	0,01%
BALDELLI SONIA	Delegate	AQR INTERNATIONAL SMALL CAP EQUITY FUND, L.P.	AQR INTERNATIONAL SMALL CAP EQUITY FUND, L.P.			14.936	0,01%
BALDELLI SONIA	Delegate	BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B	BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B			24.125	0,01%
BALDELLI SONIA	Delegate	BGI MSCI EMU IMI INDEX FUND B	BGI MSCI EMU IMI INDEX FUND B			166	0,00%
BALDELLI SONIA	Delegate	BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F			13.161	0,01%
BALDELLI SONIA	Delegate	BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN	BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN			763	0,00%
BALDELLI SONIA	Delegate	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR			51.029	0,03%
BALDELLI SONIA	Delegate	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR			107.468	0,05%
BALDELLI SONIA	Delegate	BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN			4.504	0,00%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	BURROUGHS WELLCOME FUND	BURROUGHS WELLCOME FUND			1.823	0,00%
BALDELLI SONIA	Delegate	CAISSE DES DEPOTS ET CONSIGNATIONS	CAISSE DES DEPOTS ET CONSIGNATIONS			49.769	0,02%
BALDELLI SONIA	Delegate	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM			14.001	0,01%
BALDELLI SONIA	Delegate	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM			22.584	0,01%
BALDELLI SONIA	Delegate	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM			229.182	0,11%
BALDELLI SONIA	Delegate	CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM			51.171	0,03%
BALDELLI SONIA	Delegate	CF DV ACWI EX-U.S. IMI FUND	CF DV ACWI EX-U.S. IMI FUND			631	0,00%
BALDELLI SONIA	Delegate	CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALLCAP PASSIVE II	CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALLCAP PASSIVE II			3.090	0,00%
BALDELLI SONIA	Delegate	CHEVRON MASTER PENSION TRUST	CHEVRON MASTER PENSION TRUST			10.490	0,01%
BALDELLI SONIA	Delegate	CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN			17.684	0,01%
BALDELLI SONIA	Delegate	CITY OF NEW YORK GROUP TRUST	CITY OF NEW YORK GROUP TRUST			8.148	0,00%
BALDELLI SONIA	Delegate	CITY OF NEW YORK GROUP TRUST	CITY OF NEW YORK GROUP TRUST			13.827	0,01%
BALDELLI SONIA	Delegate	CITY OF NEW YORK GROUP TRUST	CITY OF NEW YORK GROUP TRUST			16.209	0,01%
BALDELLI SONIA	Delegate	COLLEGE RETIREMENT EQUITIES FUND	COLLEGE RETIREMENT EQUITIES FUND			145.349	0,07%
BALDELLI SONIA	Delegate	EASTSPRING INVESTMENTS	EASTSPRING INVESTMENTS			6.453	0,00%
BALDELLI SONIA	Delegate	FCP BNP EASY LOW CARBON100 EUROPE	FCP BNP EASY LOW CARBON100 EUROPE			2.972	0,00%
BALDELLI SONIA	Delegate	FCP ERAFP ACT IND11	FCP ERAFP ACT IND11			355.481	0,18%
BALDELLI SONIA	Delegate	FCP REGARD SEL.ACT EURO.	FCP REGARD SEL.ACT EURO.			69.540	0,03%
BALDELLI SONIA	Delegate	FIDELITY SAL ST T SPARTAN TOTAL INT IN F	FIDELITY SAL ST T SPARTAN TOTAL INT IN F			608	0,00%
BALDELLI SONIA	Delegate	FLEXSHARES MORNINGSTAR DEVELOPED MARKETS EX-US FACTOR TILT INDEX FUND	FLEXSHARES MORNINGSTAR DEVELOPED MARKETS EX-US FACTOR TILT INDEX FUND			2.145	0,00%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST	FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST			4.697	0,00%
BALDELLI SONIA	Delegate	FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST			132	0,00%
BALDELLI SONIA	Delegate	GAIKOKUKABU SUB FUND 1 LP	GAIKOKUKABU SUB FUND 1 LP			3.481	0,00%
BALDELLI SONIA	Delegate	GLOBAL INFRASTRUCTURE EQUITY FUND LONDON CAPITAL	GLOBAL INFRASTRUCTURE EQUITY FUND LONDON CAPITAL			3.192	0,00%
BALDELLI SONIA	Delegate	GLOBAL MANAGED VOLATILITY FUND	GLOBAL MANAGED VOLATILITY FUND			5.134	0,00%
BALDELLI SONIA	Delegate	GOVERNMENT OF NORWAY	GOVERNMENT OF NORWAY			2.230.460	1,12%
BALDELLI SONIA	Delegate	GOVERNMENT OF THE REPUBLIC OF SINGAPORE	GOVERNMENT OF THE REPUBLIC OF SINGAPORE			1.823	0,00%
BALDELLI SONIA	Delegate	HOME AFFAIRS UNIFORMED SERVICES (INVEST FUND)	HOME AFFAIRS UNIFORMED SERVICES (INVEST FUND)			1.850	0,00%
BALDELLI SONIA	Delegate	IBM 401K PLUS PLAN	IBM 401K PLUS PLAN			18.433	0,01%
BALDELLI SONIA	Delegate	INTERNATIONAL MONETARY FUND	INTERNATIONAL MONETARY FUND			1.556	0,00%
BALDELLI SONIA	Delegate	INTERNATIONAL MONETARY FUND	INTERNATIONAL MONETARY FUND			7.838	0,00%
BALDELLI SONIA	Delegate	ISHARES CORE MSCI EAFE ETF	ISHARES CORE MSCI EAFE ETF			132.237	0,07%
BALDELLI SONIA	Delegate	ISHARES CORE MSCI EAFE IMI INDEX ETF	ISHARES CORE MSCI EAFE IMI INDEX ETF			4.379	0,00%
BALDELLI SONIA	Delegate	ISHARES CORE MSCI EUROPE ETF	ISHARES CORE MSCI EUROPE ETF			26.738	0,01%
BALDELLI SONIA	Delegate	ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF			30.484	0,02%
BALDELLI SONIA	Delegate	ISHARES MSCI EAFE SMALL CAP ETF	ISHARES MSCI EAFE SMALL CAP ETF			392.084	0,20%
BALDELLI SONIA	Delegate	ISHARES MSCI EUROPE IMI INDEX ETF	ISHARES MSCI EUROPE IMI INDEX ETF			2.084	0,00%
BALDELLI SONIA	Delegate	ISHARES MSCI EUROPE SMALL-CAP ETF	ISHARES MSCI EUROPE SMALL-CAP ETF			7.513	0,00%
BALDELLI SONIA	Delegate	ISHARES VII PLC	ISHARES VII PLC			105.648	0,05%
BALDELLI SONIA	Delegate	Illinois State Board of Investment	Illinois State Board of Investment			9.569	0,00%
BALDELLI SONIA	Delegate	JPMORGAN FUNDS	JPMORGAN FUNDS			47.800	0,02%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF	LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF			5.168	0,00%
BALDELLI SONIA	Delegate	LBPAM RESPONSABLE ACTIONS ENVT	LBPAM RESPONSABLE ACTIONS ENVT			146.016	0,07%
BALDELLI SONIA	Delegate	LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST	LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST			2.580	0,00%
BALDELLI SONIA	Delegate	LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED			11.716	0,01%
BALDELLI SONIA	Delegate	LITESPEED MANAGEMENT LLC LITESPEED MASTER FUND LTD	LITESPEED MANAGEMENT LLC LITESPEED MASTER FUND LTD			7.903.597	3,95%
BALDELLI SONIA	Delegate	LONDON LIFE INSURANCE COMPANY .	LONDON LIFE INSURANCE COMPANY .			345.145	0,17%
BALDELLI SONIA	Delegate	LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM			13.093	0,01%
BALDELLI SONIA	Delegate	MACKENZIE DIVERSIFIED ALTERNATIVES FUND	MACKENZIE DIVERSIFIED ALTERNATIVES FUND			5.164	0,00%
BALDELLI SONIA	Delegate	MARYLAND STATE RETIREMENT & PENSION SYSTEM	MARYLAND STATE RETIREMENT & PENSION SYSTEM			1.062	0,00%
BALDELLI SONIA	Delegate	MERCER DIOCESE OF BROOKLYN LAY PENSION INVESTMENT TRUST	MERCER DIOCESE OF BROOKLYN LAY PENSION INVESTMENT TRUST			2.040	0,00%
BALDELLI SONIA	Delegate	MICHELIN NORTH AMERICA (CANADA) INC. MASTER TRUST	MICHELIN NORTH AMERICA (CANADA) INC. MASTER TRUST			5.319	0,00%
BALDELLI SONIA	Delegate	MICHELIN NORTH AMERICA INC. MASTER RETIREMENT TRUST	MICHELIN NORTH AMERICA INC. MASTER RETIREMENT TRUST			16.130	0,01%
BALDELLI SONIA	Delegate	MM SELECT EQUITY ASSET FUND	MM SELECT EQUITY ASSET FUND			1.515	0,00%
BALDELLI SONIA	Delegate	MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F			30.521	0,02%
BALDELLI SONIA	Delegate	MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO	MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO			7.537	0,00%
BALDELLI SONIA	Delegate	Mercer Unhedged Overseas Shares Trust	Mercer Unhedged Overseas Shares Trust			6.752	0,00%
BALDELLI SONIA	Delegate	NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P.R.C	NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P.R.C			10.341	0,01%
BALDELLI SONIA	Delegate	NATIONWIDE SMALL CAP INDEX FUND	NATIONWIDE SMALL CAP INDEX FUND			5.827	0,00%
BALDELLI SONIA	Delegate	NEW MEXICO STATE INVESTMENT	NEW MEXICO STATE INVESTMENT			2.248	0,00%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	COUNCIL NEW MEXICO STATE INVESTMENT COUNCIL	COUNCIL NEW MEXICO STATE INVESTMENT COUNCIL			3.797	0,00%
BALDELLI SONIA	Delegate	NEW ZEALAND SUPERANNUATION FUND	NEW ZEALAND SUPERANNUATION FUND			3.389	0,00%
BALDELLI SONIA	Delegate	NEW ZEALAND SUPERANNUATION FUND	NEW ZEALAND SUPERANNUATION FUND			7.050	0,00%
BALDELLI SONIA	Delegate	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST			26.596	0,01%
BALDELLI SONIA	Delegate	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST			66.958	0,03%
BALDELLI SONIA	Delegate	NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND			3.285	0,00%
BALDELLI SONIA	Delegate	OMERS ADMINISTRATION CORPORATION	OMERS ADMINISTRATION CORPORATION			6.905	0,00%
BALDELLI SONIA	Delegate	ONEPATH GLOBAL SHARES - SMALL CAP INDEX	ONEPATH GLOBAL SHARES - SMALL CAP INDEX			6.904	0,00%
BALDELLI SONIA	Delegate	PARAMETRIC INTERNATIONAL EQUITY FUND	PARAMETRIC INTERNATIONAL EQUITY FUND			6.279	0,00%
BALDELLI SONIA	Delegate	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO			18.026	0,01%
BALDELLI SONIA	Delegate	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO			10.439	0,01%
BALDELLI SONIA	Delegate	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO			25.970	0,01%
BALDELLI SONIA	Delegate	SAND GROVE OPPORTUNITIES MASTER FUND LTD	SAND GROVE OPPORTUNITIES MASTER FUND LTD			17.317	0,01%
BALDELLI SONIA	Delegate	SCHWAB FUNDAM INTER SMALL- COMP INDEX FD	SCHWAB FUNDAM INTER SMALL- COMP INDEX FD			15.107	0,01%
BALDELLI SONIA	Delegate	SCHWAB FUNDAMENTAL INTERNATIONAL SMALL COMPANY ETF	SCHWAB FUNDAMENTAL INTERNATIONAL SMALL COMPANY ETF			24.510	0,01%
BALDELLI SONIA	Delegate	SCHWAB INTERNATIONAL SMALL-CAP EQUITY ETF	SCHWAB INTERNATIONAL SMALL-CAP EQUITY ETF			58.816	0,03%
BALDELLI SONIA	Delegate	SEI GLOBAL ASSETS FUND PLC	SEI GLOBAL ASSETS FUND PLC			9.051	0,00%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	SEI INSTITUTIONAL MANAGED TRUST-TAX-MANAGED INTERNATIONAL MANAGED	SEI INSTITUTIONAL MANAGED TRUST-TAX-MANAGED INTERNATIONAL MANAGED			23.482	0,01%
BALDELLI SONIA	Delegate	SPDR S+P INTERNATIONAL INDUSTRIAL SECTOR ETF	SPDR S+P INTERNATIONAL INDUSTRIAL SECTOR ETF			3.940	0,00%
BALDELLI SONIA	Delegate	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL			1.895	0,00%
BALDELLI SONIA	Delegate	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL			19.958	0,01%
BALDELLI SONIA	Delegate	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL			54.514	0,03%
BALDELLI SONIA	Delegate	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL			100.291	0,05%
BALDELLI SONIA	Delegate	SSGA RUSSELL FD GL EX-US INDEX NONLENDING QP COMMON TRUST FUND	SSGA RUSSELL FD GL EX-US INDEX NONLENDING QP COMMON TRUST FUND			1.033	0,00%
BALDELLI SONIA	Delegate	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY			330	0,00%
BALDELLI SONIA	Delegate	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY			1.072	0,00%
BALDELLI SONIA	Delegate	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY			8.981	0,00%
BALDELLI SONIA	Delegate	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY			9.111	0,00%
BALDELLI SONIA	Delegate	STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	STATE OF ALASKA RETIREMENT AND BENEFITS PLANS			3.495	0,00%
BALDELLI SONIA	Delegate	STG PFDS V.D. GRAFISCHE	STG PFDS V.D. GRAFISCHE			36.631	0,02%
BALDELLI SONIA	Delegate	STICHTING PENSIOENFONDS APF	STICHTING PENSIOENFONDS APF			2.611	0,00%
BALDELLI SONIA	Delegate	STICHTING PENSIOENFONDS VOOR HUISARTSEN	STICHTING PENSIOENFONDS VOOR HUISARTSEN			7.250	0,00%
BALDELLI SONIA	Delegate	STICHTING PHILIPS PENSIOENFONDS	STICHTING PHILIPS PENSIOENFONDS			14.946	0,01%
BALDELLI SONIA	Delegate	STP NUCLEAR OPERATING COMPANY RETIREMENT TRUST	STP NUCLEAR OPERATING COMPANY RETIREMENT TRUST			3.253	0,00%



# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	SUNSUPER SUPERANNUATION FUND	SUNSUPER SUPERANNUATION FUND			4.230	0,00%
BALDELLI SONIA	Delegate	SYMMETRY COMPREHENSIVE EQUITY FUND	SYMMETRY COMPREHENSIVE EQUITY FUND			106.009	0,05%
BALDELLI SONIA	Delegate	TAX - MANAGED INTERNATIONAL EQUITY PORTFOLIO	TAX - MANAGED INTERNATIONAL EQUITY PORTFOLIO			2.606	0,00%
BALDELLI SONIA	Delegate	TEXAS SCOTTISH RITE HOSPITAL FOR CRIPPLED CHILDREN	TEXAS SCOTTISH RITE HOSPITAL FOR CRIPPLED CHILDREN			5.272	0,00%
BALDELLI SONIA	Delegate	THE ADV.INNER C.CORNERST.AD.GL.PUB.EQ. F	THE ADV.INNER C.CORNERST.AD.GL.PUB.EQ. F			5.099	0,00%
BALDELLI SONIA	Delegate	THE ARBITRAGE TACTICAL EQUITY FUND	THE ARBITRAGE TACTICAL EQUITY FUND			701	0,00%
BALDELLI SONIA	Delegate	THE CANADA LIFE ASSURANCE COMPANY	THE CANADA LIFE ASSURANCE COMPANY			37.299	0,02%
BALDELLI SONIA	Delegate	THE GREAT-WEST LIFE ASSURANCE COMPANY	THE GREAT-WEST LIFE ASSURANCE COMPANY			29.888	0,01%
BALDELLI SONIA	Delegate	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA			12	0,00%
BALDELLI SONIA	Delegate	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA			31	0,00%
BALDELLI SONIA	Delegate	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA			461	0,00%
BALDELLI SONIA	Delegate	TRUST AND CUSTODY SERVICED BANK LIMITED	TRUST AND CUSTODY SERVICED BANK LIMITED			2.261	0,00%
BALDELLI SONIA	Delegate	U.S. AND INTERNATIONAL SPECIALTY CLASS	U.S. AND INTERNATIONAL SPECIALTY CLASS			2.574	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			1.487	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			3.758	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			3.924	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			6.040	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			6.749	0,00%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			8.350	0,00%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
BALDELLI SONIA	Delegate	UAW RETIREE MEDICAL BENEFITS TRUST	UAW RETIREE MEDICAL BENEFITS TRUST			11.343	0,01%
BALDELLI SONIA	Delegate	UBS (US) GROUP TRUST	UBS (US) GROUP TRUST			4.003	0,00%
BALDELLI SONIA	Delegate	UBS ETF	UBS ETF			6.038	0,00%
BALDELLI SONIA	Delegate	UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII			20.005	0,01%
BALDELLI SONIA	Delegate	UTAH STATE RETIREMENT SYSTEMS	UTAH STATE RETIREMENT SYSTEMS			5.208	0,00%
BALDELLI SONIA	Delegate	UTAH STATE RETIREMENT SYSTEMS	UTAH STATE RETIREMENT SYSTEMS			5.487	0,00%
BALDELLI SONIA	Delegate	VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUND	VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUND			154	0,00%
BALDELLI SONIA	Delegate	VANGUARD DEVELOPED MARKETS INDEX FUND	VANGUARD DEVELOPED MARKETS INDEX FUND			411.701	0,21%
BALDELLI SONIA	Delegate	VANGUARD EUROPEAN STOCK INDEX FUND	VANGUARD EUROPEAN STOCK INDEX FUND			186.438	0,09%
BALDELLI SONIA	Delegate	VANGUARD FTSE ALL-WORLD EX-US SMALL CAP INDEX FUND	VANGUARD FTSE ALL-WORLD EX-US SMALL CAP INDEX FUND			161.640	0,08%
BALDELLI SONIA	Delegate	VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF			615	0,00%
BALDELLI SONIA	Delegate	VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF			831	0,00%
BALDELLI SONIA	Delegate	VANGUARD INTERNATIONAL SMALL COMPANIES I	VANGUARD INTERNATIONAL SMALL COMPANIES I			3.244	0,00%
BALDELLI SONIA	Delegate	VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUND	VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUND			102	0,00%
BALDELLI SONIA	Delegate	VANGUARD INVESTMENT SERIES PLC	VANGUARD INVESTMENT SERIES PLC			19.027	0,01%
BALDELLI SONIA	Delegate	VANGUARD TOTAL INTERNATIONAL STOCK INDEX	VANGUARD TOTAL INTERNATIONAL STOCK INDEX			1.150.369	0,58%
BALDELLI SONIA	Delegate	VANGUARD TOTAL WORLD STOCK INDEX FUND	VANGUARD TOTAL WORLD STOCK INDEX FUND			39.078	0,02%
BALDELLI SONIA	Delegate	WASHINGTON STATE INVESTMENT BOARD	WASHINGTON STATE INVESTMENT BOARD			4.560	0,00%
BALDELLI SONIA		WASHINGTON STATE	WASHINGTON STATE			57.475	0,03%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

Ansaldo STS A Hitachi Group Company

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
	Delegate	INVESTMENT BOARD	INVESTMENT BOARD				
BALDELLI SONIA	Delegate	WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR			7.638	0,00%
BALDELLI SONIA	Delegate	WELLS FARGOMASTER TRUST DIVERSIFIED STOCK PORTFOLIO	WELLS FARGOMASTER TRUST DIVERSIFIED STOCK PORTFOLIO			4.371	0,00%
BALDELLI SONIA	Delegate	WEST YORKSHIRE PENSION FUND	WEST YORKSHIRE PENSION FUND			141.164	0,07%
BALDELLI SONIA	Delegate	WHEELS COMMON INVESTMENT FUND	WHEELS COMMON INVESTMENT FUND			4.969	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND			23.130	0,01%
BALDELLI SONIA	Delegate	WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL SMALLCAP	WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL SMALLCAP			168	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE EUROPE HEDGED EQUITY INDEX ETF	WISDOMTREE EUROPE HEDGED EQUITY INDEX ETF			414	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND			40.519	0,02%
BALDELLI SONIA	Delegate	WISDOMTREE EUROPE LOCAL RECOVERY FUND	WISDOMTREE EUROPE LOCAL RECOVERY FUND			886	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND	WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND			123	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE INTERNATIONAL SMALLCAP DIVIDEND FUND	WISDOMTREE INTERNATIONAL SMALLCAP DIVIDEND FUND			131.531	0,07%
BALDELLI SONIA	Delegate	WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	WISDOMTREE ISSUER PUBLIC LIMITED COMPANY			257	0,00%
BALDELLI SONIA	Delegate	WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	WISDOMTREE ISSUER PUBLIC LIMITED COMPANY			3.737	0,00%
BALDELLI SONIA	Delegate	WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO	WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO			783	0,00%
COCIRIO STEFANO	Delegate	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERMUDA) LTD	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERMUDA) LTD			1.041.854	0,52%
FURLANI GIORGIO ARONNE	Delegate	ELLIOTT INTERNATIONAL L.P	ELLIOTT INTERNATIONAL L.P			24.813.093	12,41%
FURLANI GIORGIO ARONNE	Delegate	ELLIOTT INTERNATIONAL L.P., C/O	ELLIOTT INTERNATIONAL L.P., C/O			1.027.285	0,51%

# ORDINARY SHAREHOLDER MEETING

## 19TH JANUARY 2017

### List of participants

Name	Type	Entitled person	Owner securities	Agent	Encumbrance	Shares	%
FURLANI GIORGIO ARONNE	Delegate	MAPLES CORPORATE SERVICES LIMITED ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED	MAPLES CORPORATE SERVICES LIMITED ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED			2.584.378	1,29%
PRATELLI MATTEO MARIA	Delegate	ELLIOTT ASSOCIATES LP C/O THE CORPORATION TRUST COMPANY CORPORATION TRUST CENTER	ELLIOTT ASSOCIATES LP C/O THE CORPORATION TRUST COMPANY CORPORATION TRUST CENTER			505.977	0,25%
PREMONTE RAIMONDO	Delegate	HITACHI RAIL ITALY INVESTMENTS	HITACHI RAIL ITALY INVESTMENTS			101.544.702	50,77%
SCIANNACA BRUNO	Delegate	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED			2.587.349	1,29%
SUCCI GIANPIERO	Delegate	THE LIVERPOOL LIMITED PARTNERSHIP	THE LIVERPOOL LIMITED PARTNERSHIP			11.956.212	5,98%
TARICCO MARCO	Attorney	BLUEBELL PARTNERS LIMITED	BLUEBELL PARTNERS LIMITED			10	0,00%
TARICCO MARCO	Delegate	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERMUDA) LTD	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERMUDA) LTD			570.795	0,29%

**TOTAL PARTICIPANTS**

n° 174 entitled to vote representing no. 169.580.479 ordinary shares

Ansaldo STS

A Hitachi Group Company

## **GENERAL SHAREHOLDERS' MEETING**

### **Questions presented by Shareholders and related answers**



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## Domande ai sensi dell'articolo 127-ter del decreto legislativo n. 58/98 ("TUF")

1. Posto che (a) il Consiglio d'Amministrazione di Ansaldo STS, il 19 dicembre 2016, ha deliberato a maggioranza *"la censura di alcuni comportamenti dell'ing. Giuseppe Bivona, consigliere eletto dalla lista di minoranza presentata dai Fondi Elliott, i quali costituiscono grave violazione dei doveri di amministratore, per eccesso di potere e conflitto di interessi con la Società"*; (b) l'art. 149 del TUF affida al Collegio Sindacale il dovere di vigilare *"sull'osservanza della legge e dell'atto costitutivo"* e sul rispetto *"dei principi di corretta amministrazione"*; (c) il Collegio Sindacale di Ansaldo STS ha diretta conoscenza dei fatti contestati dal Consiglio d'Amministrazione al consigliere ing. Giuseppe Bivona in quanto principale destinatario di comunicazioni/esposti inviati dal consigliere, si desidera sapere:
  - a. se anche il Collegio Sindacale, per come documentato nei verbali del Collegio Sindacale o nei verbali delle riunioni del consiglio d'Amministrazione, ha eccepito nei confronti dell'Ing. Bivona irregolarità, violazioni di previsioni di legge o di statuto o dei principi di corretta amministrazione;
  - b. se anche il Collegio Sindacale – in caso di risposta affermativa, si chiede di specificare esattamente in quali occasioni, in quali forme e quando - ha contestato all'ing. Bivona comportamenti *"i quali costituiscono grave violazione dei doveri di amministratore, per eccesso di potere e conflitto di interessi con la Società"*;
  - c. ove il Collegio Sindacale non avesse mai eccepito all'ing. Bivona comportamenti *"i quali costituiscono grave violazione dei doveri di amministratore, per eccesso di potere e conflitto di interessi con la Società"*, se il Collegio Sindacale ritiene che la delibera di *"censura"* assunta dal Consiglio di Amministrazione del 19 dicembre 2016 (quale atto prodromico dell'azione di responsabilità del socio di maggioranza il cui effetto è l'immediata decadenza del consigliere) sia da ritenersi un atto conforme a previsioni di legge e/o statutarie ed ai criteri di corretta amministrazione, soprattutto ove la suddetta delibera consiliare fosse stata adottata con i soli voti degli amministratori designati dal socio di maggioranza che ha poi chiesto l'azione di responsabilità;

2. Nel comunicato del 20 dicembre 2016, la Società ha affermato che il Consiglio d'Amministrazione di Ansaldo STS ha accertato “*la sussistenza dei requisiti di indipendenza del dr. Alberto de Benedictis*” e nella lettera del 28 dicembre 2016 (allegato 18 della documentazione pubblicata dalla società in data 4 gennaio 2017), il consigliere Bivona ha chiesto al Collegio Sindacale di accertare la correttezza della verifica effettuata. Si desidera sapere se il Collegio Sindacale ha effettuato tale verifica ed eventualmente quali siano state le conclusioni raggiunte.
3. La Società nel comunicato stampa del 12 gennaio 2017, ha dichiarato che il parere del Prof. Alberto Mazzoni prodotto dal consigliere Bivona non sarebbe stato “*esaminato*” dal Consiglio di Amministrazione della Società. A questo proposito si desidera sapere (a) se il Consiglio d'Amministrazione come organo collegiale ha deliberato di non esaminare il parere del prof. Mazzoni oppure se il parere è stato esaminato da chiunque intendesse esaminarlo; (b) se il parere del prof. Mazzoni è stato o meno illustrato dal consigliere Bivona; (c) se il Collegio Sindacale, alla luce del contenuto del parere del prof. Mazzoni, possa ritenere corretto un processo di verifica dell'indipendenza del consigliere de Benedictis da parte del Consiglio di Amministrazione che non abbia tenuto debitamente conto del parere in questione;
4. Nella lettera del 23 dicembre 2016 (allegato 17 della documentazione pubblicata dalla società in data 4 gennaio 2017), il consigliere Bivona ha elencato una lunga lista di irregolarità (dalla lettera (a) a (p)) specificando quali di queste sarebbero state accertate e censurate anche dal Collegio Sindacale: si desidera avere conferma che il Collegio Sindacale abbia effettivamente eccepito i punti indicati nella comunicazione dell'ing. Bivona per come specificato nelle note.
5. Nella lettera del 23 dicembre 2016 (allegato 17 della documentazione pubblicata dalla società in data 4 gennaio 2017), il consigliere Bivona ha eccepito una lunga lista di presunte irregolarità dalla lettera (a) alla lettera (p). Salvo poi aggiungere un punto ulteriore – indicato nella lista con la lettera “q” - definito “*ultimo (ma non certo per importanza)*”. Si desidera sapere quale fosse questa ulteriore irregolarità contestata dal consigliere Bivona;



6. Si desidera chiedere conferma e motivazione dell'informazione riportata nella comunicazione del 28 dicembre 2016 (allegato 18 della documentazione pubblicata dalla società in data 4 gennaio 2017), secondo cui al 28 dicembre 2016 la Società non avesse ancora distribuito il verbale del Consiglio d'Amministrazione del 5 agosto 2016.
7. Si desidera sapere se ad oggi, dopo oltre cinque mesi, il verbale del 5 agosto 2016 sia stato trasmesso nella sua versione integrale sia in italiano che in inglese e se anche per quanto riguarda anche altri verbali sia stata omessa la trasmissione ai consiglieri e al Collegio Sindacalejbh;
8. Si desidera sapere se il Collegio Sindacale abbia mai mosso censure nei confronti del Presidente del Consiglio d'Amministrazione della Società e del Segretario del Consiglio d'Amministrazione, sotto la cui responsabilità ricade la funzione di verbalizzazione, per la ritardata trasmissione dei verbali del Consiglio d'Amministrazione;
9. Con riferimento all'incarico di assistenza legale conferito dalla Società il 20 giugno 2016 allo Studio Paul Hastings (menzionato - come "Allegato 19" - nell'allegato 12, pagina 5 della documentazione pubblicata dalla società in data 4 gennaio 2017), si desidera sapere a) a quanto ammontano ad oggi le fatture emesse dalla Studio Paul Hastings; b) chi – consiglieri, sindaci, segretario del Consiglio di Amministrazione e struttura della società – era a conoscenza del conferimento dell'incarico e da quando; c) quando il consigliere de Benedictis è stato informato dell'incarico conferito dalla Società allo Studio Paul Hastings; d) quando l'intero Consiglio di Amministrazione è stato fermato della esistenza del suddetto incarico
10. Si desidera sapere se corrisponde al vero quanto affermato nella lettera del consigliere Bivona (allegato 16 della documentazione pubblicata dalla società in data 4 gennaio 2017) secondo cui la Società si sarebbe rifiutata ripetutamente di fornire al consigliere le 'note pro-forma' relative al contratto di consulenza con lo studio Paul Hastings sottoscritto il 20 giugno 2016;
11. Con riferimento alla domanda precedente, si desidera sapere se e quando il Collegio Sindacale abbia richiesto alla Società di trasmettere al consigliere Bivona le richieste

informazioni sulle ‘note pro-forma’;

12. Si desidera sapere quale fosse l’argomento della lettera del 4 dicembre 2016 (allegato 14 della documentazione pubblicata dalla società in data 4 gennaio 2017), il cui contenuto è stato integralmente omesso. Nel caso si trattasse di presunte irregolarità mosse dal consigliere Bivona, si chiede di conoscere nei confronti di chi e con riferimento a quale ipotizzata violazione di previsione di legge o di statuto.

13. Con riferimento alla lettera del consigliere Bivona dell’11 novembre 2016 (allegato 13 della documentazione pubblicata dalla società in data 4 gennaio 2017) si desidera sapere:

(a) con riferimento al Paragrafo I (“*Ritardata Comunicazione al Mercato dell’accordo sottoscritto tra il Chief Financial Officer Roberto Carassai e la Società in data 19 ottobre 2016*”), la posizione assunta dal Collegio Sindacale rispetto ai punti:

- “A” (allegato 13, p.7)
- “B” (allegato 13, p.7)
- “C”; (allegato 13, p. 8)

(b) con riferimento al Paragrafo II (“*Regolarità della Scrittura Privata tra la Società e il dott. Carassai (19 ottobre 2016)*”), la posizione assunta dal Collegio Sindacale nei confronti dei punti:

- “D” (allegato 13, p. 11)
- “E” (allegato 13, p. 11)
- “F” (allegato 13, p. 12)

(c) quale siano i rilievi di cui al Paragrafo III (senza titolo nel testo reso disponibile dalla Società, allegato 13, p. 12);

(d) quale sia il contenuto del punto “q” di cui alla lista di “*fatti e circostanze – [...] di per sé idonee a prefigurare il fondato sospetto di potenziali (gravi) irregolarità*” (allegato 13, p. 17)

14. In un comunicato stampa emesso il 12 gennaio 2017, il consigliere Bivona ha dichiarato *“Non tutti i rilievi hanno riguardato l’attività di amministratori designati da Hitachi ma anche del Collegio Sindacale, di cui però è stato accuratamente rimosso ogni riferimento”*. Dalla documentazione prodotta dalla Società non ne risulta traccia. Si desidera sapere se il consigliere Bivona abbia o meno rivolto rilievi al Collegio Sindacale ed in cosa sarebbero consistiti;
15. Nel Parere del Prof. Mazzoni pubblicato dalla Società il 12 gennaio 2017, viene fatto riferimento – a pagina 18 - ad un *“Protocollo di Intesa”* relativo ad un progetto di €1,3 miliardi sottoscritto il 19 maggio 2016 da Ansaldo STS, Hitachi Rail e Astaldi con Ferrovie dello Stato (il principale cliente di Hitachi Rail in Italia) senza previa approvazione del Comitato per le Operazioni con Parti Correlate (di cui il consigliere de Benedictis è presidente). Dall’esposto del consigliere Bivona del 4 ottobre 2016 (allegato 11 della documentazione pubblicata dalla società in data 4 gennaio 2017) si legge che la Società nella persona del responsabile dell’Ufficio Legale Avv. Filippo Corsi, avrebbe affermato che il Protocollo di Intesa sarebbe stato esente da autorizzazione del Comitato per le Operazioni con Parti Correlate ai sensi dell’art. 10.2.C del Regolamento di Ansaldo STS per le Operazioni con Parti Correlate ovvero si tratterebbe di *“Operazioni Ordinarie concluse a condizioni analoghe a quelle usualmente praticate nei confronti di parti non correlate per operazioni di corrispondente natura, entità e rischio”*. Si desidera sapere quanti sono i protocolli di intesa *“usualmente”* sottoscritti da Ansaldo STS con parti non correlate che siano assimilabili al Protocollo di Intesa per *“entità”* (€1,3 miliardi), *“natura”* (l’aggiudicazione di un’offerta ad una società terza) e *rischio”* (rischio di progetto, rischio paese Iran) rispettivamente:
- nel corso del 2016
  - nel corso del 2015
  - nel corso del 2014
16. Si desidera sapere se il Collegio Sindacale ha accertato la correttezza e veridicità della rappresentazione resa dal Responsabile dell’Ufficio Legale Avv. Filippo Corsi secondo cui il Protocollo di Intesa era esente dall’approvazione del Comitato per le Parti Correlate ai sensi dell’art. 10.2.C del Regolamento di Ansaldo STS per le Operazioni con Parti Correlate;

17. Si desidera sapere, ove il ‘*Bid Committee*’ introdotto dalla Società il 28 ottobre 2016 fosse stato in vigore sin dal 1 gennaio 2016, quante offerte nel corso del 2016 avrebbero superato il limite di 350 milioni (eccedendo quindi i poteri di delega attribuiti al *Bid Committee*);
18. Si desidera sapere se gli esposti messi a disposizione della Società sono tutti quelli che la Società ed i suoi organi statutari (Consiglio d’Amministrazione, Collegio Sindacale) hanno ricevuto da parte del consigliere Bivona o se ce ne siano stati altri il cui contenuto non è stato riportato. In questo caso, si chiede di specificare il numero di esposti non messi a disposizione del pubblico (e quindi degli azionisti di minoranza), la data degli esposti omessi, quale fosse l’argomento e quali siano le ragioni per cui sono stati omessi;
19. Nell’esposto dell’11 novembre 2016 (allegato 12 della documentazione pubblicata dalla società in data 4 gennaio 2017), viene indicato (a pagina 15) un “*Allegato 17 – proposta di Relazione Illustrativa per l’Assemblea Ordinaria degli Azionisti del 15 dicembre 2016*” che evidentemente non è stata convocata: quali erano gli ipotizzati punti all’ordine del giorno in agenda per come proposti al Consiglio?
20. Per quale ragione nel comunicato stampa di Ansaldo STS del 3 gennaio 2017, la Società ha affermato che i rilievi eccepiti dal consigliere Bivona erano “sempre *relativi a questioni di natura organizzativa e procedurale e mai al merito di decisioni di gestione*” quando invece dalla lettura degli esposti emerge in maniera chiara che il consigliere Bivona aveva anche eccepito specifiche decisioni di “*gestione*” tra cui la nomina dell’Amministratore Delegato Barr e la decisione assunta per perseguire un affare di €1,3 miliardi (commessa in Iran) sottoscrivendo il Protocollo di Intesa che legava Ansaldo STS a Hitachi Rail senza esplorare altre alternative per la fornitura del materiale rotabile?

**ANSWERS PROVIDED TO AMBER CAPITAL**  
**(Shareholders' Meeting 19 January 2017)**

**QUESTION N. 1**

*Considering that (a) on 19 December 2016, the Board of Directors of Ansaldo STS, resolved by majority "to criticise the conduct of Mr Giuseppe Bivona, a board member elected from the minority list submitted by the Elliot Fund, which represents a serious violation of his duties as a director, due to misuse of powers and conflict of interest with the Company"; (b) Article 149 of the TUF provides that the Board of Auditors has the duty to monitor "compliance with the law and the memorandum of incorporation" and "compliance with the principles of sound management"; (c) the Board of Auditors of Ansaldo STS has direct knowledge of the facts that the Board of Directors attributes to the board member Giuseppe Bivona, as the main addressee of communications/complaints sent by the board, we wish to know:*

- a) whether the Board of Auditors as well, as shown in the minutes of the Board of Auditors' Meetings or of the Board of Directors' Meetings, has held Mr Bivona liable of irregularities, violations of provisions of law, of the bylaws or of the principles of sound management;*
- b) whether the Board of Auditors as well – and if the answer is in the affirmative, please specify on which occasions, how and when – has found Mr Bivona liable of a "conduct which represent a serious violation of his duty as a director due to misuse of powers of conflict of interest with the Company";*
- c) if the Board of Auditors has never found Mr Bivona liable of a conduct which represents "a serious violation of his duty as a director due to misuse of powers of conflict of interest with the Company", whether the Board of Auditors holds that the resolution "criticising" such conduct, made by the Board of Directors on 19 December 2016 (as an action preceding the corporate liability action of the majority shareholder, whose effect is the immediate revocation from office of the board of directors) can be held to comply with the provision of law and/or bylaws and the principles of sound management, especially if such board resolution were adopted only with the vote of the directors designated by the majority shareholder, which has then filed the corporate liability action.*

**ANSWER**

With reference to the information requested to the Board of Auditors, please note that the duties imposed by Article 149 TUF to the Board of Directors to monitor compliance with the law and the memorandum of incorporation and compliance with the principles of sound management imply a general duty of surveillance over the lawfulness of management activities and on the correct operation of the corporate bodies and the company's corporate governance to be intended as a whole and not with reference to single acts made by the directors.

While we leave to the Board of Auditors any broader explanation with reference to the questions made to the shareholder Amber, to the extent of its remit, the Company states as follows:

- with reference to the questions under a) and b), the Board of Directors is not aware of the Board of Auditors having made any specific criticism of Mr Bivona's behaviour, nor that the Board of Auditor has such power. However, during the Board of Directors' meeting of 24 November 2016, the Board of Auditors specified that it had received a great number of requests which do not always fall within the remit of the Board of Auditors and that it had serious doubts about the admissibility of requests by single board members to the Board of Auditors outside of the corporate body meetings in which they both participate; and
- with reference to the question under c), the resolution of 19 December 2016, which criticised some behaviours of Mr Bivona does not require any action from the Board of Auditors.

## QUESTION N.2

*In the communication of 20 December 2016, the Company stated that the Board of Directors of Ansaldo STS has found that “Mr de Benedectis satisfies the requirements of independence” and, in the letter of 28 December 2016 (annex 18 of the documents that the company has published on 4 January 2017), the member Bivona has asked the Board of Directors to ascertain the correctness of the verification made. We wish to know whether the Board of Directors has carried out such verification and what are the conclusions that it has reached.*

## ANSWER

The Board of Auditors may state its position with regard to the accuracy of the procedure followed. Please note, however, that only the Board of Directors is in charge of verifying whether the requirements of independence of directors have been met, in accordance with Article 3.C.1. of the Corporate Governance Code for listed companies.

## QUESTION N.3

*In the press release of 12 January 2017, the Company declared that the opinion of Prof. Alberto Mazzoni, submitted by the board member Bivona has not be “examined” by the Board of Directors of the Company. With regard to this, we wish to know whether (a) the Board of Directors, as a corporate body, has resolved not to examine the opinion of Prof. Mazzoni, or the opinion has been examined by whoever wished to examine it; (b) Prof. Mazzoni’s opinion has been explained by the board member Bivona; (c) in light of the content of Prof. Mazzoni’s opinion, the Board of Auditors can consider to be correct the process by which the Board of Directors verified the independence of the board member de Benedictis without having due regard to such opinion.*

## ANSWER

The Board of Directors has not examined the opinion drafted by Prof. Mazzoni, because the Board had not authorise drafting that opinion and had appointed Prof. Angelici to do so instead. The opinion of Prof. Mazzoni does not have a recipient and does not explain who requested the opinion. As Mr. Bivona has submitted it to the Board of Directors, we must assume that he requested it.

In any case, the opinion was requested without any delegation of powers from the Board of Directors and involved disclosing confidential information of the Company.

Prof. Mazzoni was delivered (by Mr. Bivona, we must assume) 20 documents, which include:

*“(vi) minutes of the meetings of Ansaldo’s Board of Directors of 16 May 2016, 24 May 2016, 15 June 2016, 11 July 2016, 27 July 2016 and an excerpt from the minutes of [the Board meeting of] 24 November 2016, containing the presentation of the Chairman of Ansaldo’s Board of Auditors on item 3 on the agenda;*

*(vi) minutes of the meetings of Ansaldo’s Board of Auditors of 21 July 2016 and 20 September 2016;*

*(viii) minutes of the meetings of the Nomination and Remuneration Committee of Ansaldo of 15 February 2015, 4 March 2016 and 23 May 2016;*

*(x) letter of 14 June 2016, sent by Elliot Advisors (UK) Limited to Consob, the Board of Auditors of Ansaldo, the Board of Directors of Ansaldo, and Borsa Italiana S.p.A.;*

*(xv) complaint under Article 2408 of the Italian Civil Code submitted by Elliot International L.P. the Liverpool Limited Partnership e Elliott Associates, L.P. to the Board of Auditors of Ansaldo; and*

*(xix) memorandum of understanding of 19 May 2016 between Ferrovie dello Stato, Ansaldo, Hitachi and Astaldi S.p.A.*

These documents are confidential, involve other listed issuers and should not have been disclosed without the consent of the Company and of the third parties concerned.

More specifically, reference is made to a Memorandum of Understanding concerning an offer which is not yet final.

Moreover, the board member Bivona sent Prof. Mazzone's opinion to the other directors and to the auditors on 18 December 2016, by an email sent at 19:51, with a view to the meeting of the Board of Directors convened on the following day. As a result, the opinion was sent belatedly (without complying with the term of three days before the meeting, in accordance with the Board Rules) and without the members being able to be adequately informed on its contents. Mr. Bivona intended to read the opinion (of as many as 20 pages) during the Board meeting. He was not allowed to do so also because, as it concerns complex legal matters, it is not a matter that can be dealt with without the necessary preliminary information.

We reaffirm that the Board of Auditors may state its stance on this matter in its report under Article 2408 of the Italian Civil Code.

#### **QUESTION N.4**

***In the letter of 23 December 2016 (annex 17 of the documentation published by the Company on 4 January 2017), the board member Bivona has included a long list of irregularities (from letter (a) to (p)), specifying which of these had been allegedly also ascertained and criticised by the Board of Auditors. We wish to be confirmed that the Board of Auditors has actually notified to Mr Bivona the points indicated in Mr. Bivona's communications, as specified in the footnotes.***

#### **ANSWER**

The Board of Auditors has not held that the facts reported by Mr Bivona as irregularities were relevant under Article 2409 of the Italian Civil Code. In some cases, however, the Board of Auditors has stated its opinion with reference to that circumstances as specified in detail below (we omit to describe the alleged irregularities listed by Mr Bivona on which the Board of Auditors had no remarks).

*"a) the board member Mr de Benedictis lacking the required independence"*

Article 147-ter of the TUF requires that a member, or two in the event of a Board of Directors comprising more than 7 members, satisfies the requirements of independence under Article 148, paragraph 3 of the TUF. Article 3.C.4. of the Corporate Governance Code states that the Board of Directors is in charge of verifying the lack of the requirements of independence. Article 3.C.5. states that the Board of Auditors is responsible for verifying *"that the criteria and procedures adopted by the board to verify the independence of its members are correctly applied"*.

In exercising its powers, the Board of Auditors did not object to Mr de Benedictis' independence, which had been favourably assessed by the Board of Directors (also based on an opinion by Prof. Umberto Tombari), but asked an opinion from Prof. Gaetano Marchetti on the compliance with the application criteria under Article 147-ter of the Corporate Governance Code. Prof. Marchetti proposed his personal legal interpretation, only with reference to the application criteria under the Corporate Governance Code. Holding (based on the opinion by Prof. Marchetti) that the Board of Directors did not adequately express its opinion, the Board of Auditors invited the Board of Directors to carry out further assessments on the independence of Mr. de Benedictis.

Following this request from the Board of Auditors, to ensure that the independence of Mr de Benedictis is assessed ensuring that the criteria pursuant to law and the bylaws are complied with, asked for two

independent legal opinions (to Prof. Carlo Angelici, who confirmed that Mr de Benedictis satisfied the independence criteria. The Board reached a final decision on this matter at the meeting of 19 December 2016.

Therefore, the Board of Auditors did not ascertain any irregularity. Moreover, the Board of Auditors would not have had the power to do so.

*“c) violation of the obligation to act with the diligence due to the office held, and to act in an informed manner for the resolutions on the appointment of the new CEO”*

Mr Bivona refers to the length of the discussion within the Nomination Committee on the occasion of the appointment of Mr Andrew Barr as CEO.

As specified by Mr Bivona himself in his letter of 23 December 2016 (doc. 17, footnote 6, page 9), the Chairman of the Board of Auditors only provided information about the length of that discussion, without making any remark,

*“e) failed or delayed release of information to the directors”*

*“f) reticent, untrue, contradictory, omissive or deceptive statements made by directors, and by managers of the Company to the directors;*

*“i) concealment to the directors by the CEO of the existence of a consulting contract with the firm on behalf of the director de Benedictis, in violation of the disclosure obligations required by Article 23.3 of the Articles of Association”;*

*“k) discriminatory behaviour with regard to directors appointed by the minority shareholders that were blocked from getting legal assistance regarding the issue of Mr de Benedictis’ independence, despite its being granted (furthermore concealing it) to Mr de Benedictis*

The alleged irregularities reported by Mr Bivona under points e), f), i) and k) may be discussed together as they all concern two matters: (i) the consultancy services provided by the law firm Paul Hastings; and (ii) certain statements made by a manager concerning the existence of an agreement regulating his exit from the Company.

As regards the first question, the law firm Paul Hastings was first appointed to provide assistance to the independent directors by engagement letter of January 2016, with reference to matters of interest to the Company and not just one director. Thereafter, the Company has renewed the appointment of the law firm Paul Hastings in June 2016. The satisfaction of the legal requirements for the directors appointed is a matter of interest for the entire Board of Directors and the corporate bodies of the Company.

With regard to this, the Board of Auditors has held (at the meeting of 20 September 2016) that some documents requested by the directors appointed by the minority shareholders with regard to the activity performed by the law firm Paul Hastings, were not timely produced and hoped *“in the future that the Company will be punctual in providing the Directors with the information and documents required”*. The Board, also held that *“it did not find in the facts reported any other profiles that are relevant for the supervisory activity of the Board itself”*. The Chairman Dormer accepted the request of the Board of Auditors and had the documentation made available at the company’s offices to those directors who had so requested.

Thereafter, taking the floor at the Board of Directors’ meeting of 24 November, the Board of Auditors held that some directors appointed by the majority shareholders had not been quite transparent in providing information with regard to the relationships with the law firm Paul Hastings. This resulted in an alleged unequal treatment of the independent directors designated by the minority shareholders, who had been unable to access to legal services paid by the Company.



While respecting the opinion of the Board of Auditors, the Company does not hold that there was any unequal treatment as the directors designated by the minority shareholders asked to appoint their legal consultant with regard to the matter concerning the independence of Mr. de Benedictis (see the answer to question a) above). The Board of Directors, not a single director, is responsible for granting appointments for legal assistance in the interest of the Company. The satisfaction by the appointed directors of the legal requirements is relevant for the entire Board of Directors and not for the individual directors. The law firm Paul Hastings was appointed by the Company and rendered its services to the Company. The individual directors are not entitled to appoint their legal consultants at the expense of the Company.

With regard to the second matter, the Board of Auditors held that the manager, heard by the Board of Directors at the meeting of 24 May 2016, did not provide a genuine statement as to his agreements with the Company and held that that statement was a “serious irregularity” of the employee. Therefore, there were no remarks concerning the board members.

*“h) “the decisions taken by the CEO in conflict of interest, in violation of the provisions contained in Article 2391 of the Italian Civil Code, when exercising the powers of representation in legal proceedings aimed at requiring, among other things, the appointment of a special administrator of the Company”;*

The Board of Auditors has never addressed the merits of the question, but has simply criticised (in its meeting of 20 September 2016) the fact that the resolution appointing the special administrator was not discussed at the Board of Directors meeting in order to assess any step to be taken.

On this point, a decisive case is that which the Court of Appeal of Genoa made on 6 September 2016, to which the Court of Genoa has agreed within the proceedings commenced by the Elliot Funds to appeal the resolution of the Shareholders’ meeting of 16 May 2016 by stating that:

*“it is unlikely that, if represented by a special administrator, the listed company may have interest in having the appeal against the appointment of its Board of Directors granted. This is due to the destabilising effects and the radical uncertainty about the future which would ensue both with regard to the financial markets and to its clients and the international tenders in which ANSALDO STS is participating. If we reason based on concrete economic terms, we cannot hold at the moment that the Company may have any interest other than keeping the resolution appointing the BoD in force [...]. Therefore, the present case cannot be held as such an evident case of invalidity of the resolution appointing the BoD (as may happen in the event of formal flaws) so as to make it preferable for the company not to submit a defence in the proceedings. Moreover, even in this latter event would there be any conflict with the directors, which would be equally interested in the appointment being renewed after having cured the formal flaws”.*

*“j) systematic governance decisions which, in substance, have gradually removed the powers of the Board of Directors (most recently by establishing the “Bid Committee”) and devalued the role of the independent directors designated by the minority shareholders”*

During the meeting of the Board of Directors of 24 November, the Board of Auditors held that the Board of Directors is entitled to appoint an executive committee under Article 24 of the bylaws and that the Board of Auditors is not entitled to assess the strategic value of the appointment and of the powers to be attributed to such committee.

*l) failure to make timely communication to the directors and the market regarding the resignation of the director responsible for preparing the company financial statements under Article 154-bis of Legislative Decree No. 58/98;*

*m) executing of settlement agreements worth about EUR 1.1 million, for the termination of the employment of an executive, who directly reported to the CEO, without informing the Board;*

*o) violation of Article 3.2.2 of the “Procedure for the management and communication of privileged and confidential information”*

*p) violation of Article 3 ('Activities of the Board') of the Rules of the Board of Directors of Ansaldo STS, and of the allocation of the powers granted to the CEO and/or untruthful information to directors with possible tax irregularities in paying a severance package "by way of redundancy incentives" with regard to an employee's decision to leave the Company at the employee's own initiative.*

All of these points regard the termination by mutual agreement of the employment of Mr. Carassai in the Company. The Board of Auditors will state its stance on this point in the report on the complaint submitted by the Elliot Funds pursuant to Article 2408 of the Italian Civil Code.

*n) abnormal request to replace the auditors of Ansaldo STS (KPMG) with the auditors of the Hitachi Group (EY) in mid-December 2016 — namely, a few days from the end of the financial year"*

It is sufficient to refer to the reasoned proposal of the Board of Auditors, which submitted the appointment of EY as the new auditing firm of the Company for the approval of the Shareholders' meeting, published on the website of Ansaldo on 19 December 2016.

An examination of the alleged irregularities reported by Mr. Bivona shows that, during the Board meetings and through his various complaints, he pointed to merely formal and non-pertinent circumstances, multiplying the matters to be discussed and asking to specify in detail elements that were not relevant to the information due to the board members.

Finally, it is not correct to assume that any opinion expressed by the Chairman of the Board of Auditors during the Board of Directors' meetings should be interpreted as a criticism to the conduct of the directors, even more so when the Board of Directors' resolutions do not require the involvement of the Board of Auditors.

The content of the complaints of Mr Bivona confirms that his behaviour is not aimed at pursuing the corporate purpose but has merely delaying purposes.

#### **QUESTION N.5**

***In the letter of 23 December 2016 (annex 17 of the documents published by the Company on 4 January 2017), the board member Bivona listed a series of alleged irregularities (from letter (a) to letter (p). However, he then added a further point – indicated in the list with letter "q" – defined "last, but not least". We wish to know what was this additional irregularity reported by the board member Bivona.***

#### **ANSWER**

*"q) violation of Article 27.1. of the bylaws with reference to the adjustment of the remuneration of the Board of Auditors".*

There has been no adjustment of the remuneration of the Board of Auditors. The shareholders' meeting would, in any case, have had the exclusive power to resolve upon such adjustment, in accordance with Article 2402 of the Italian Civil Code.

The board member Bivona refers to a matter which was dealt with during the Board meeting of 24 November 2016, when the proposal was addressed to assess whether any increase in the Board of Auditors' retribution, whose activity had been quite intense also as a result of the continuous complaints filed by Bivona with the Board itself, would be admissible.

The Board of Directors was called to address the matter because, had the board members held that an adjustment of the remuneration would have been admissible, the matter would have been submitted to the shareholders' meeting. The Board did not hold so, and the matter must be considered definitively closed.

At the same Board meeting of 24 November 2016, the Board of Directors had resolved to make charitable donations to two non-profit organisations: *Fondazione Ospedale Gaslini* of Genoa, and *Associazione Vincenziane* of Potenza, both operating in areas where the Company operates.

At a subsequent request by board member Bivona, who had voted in favour, the matter was addressed again at the meeting of 19 December 2016, to assess whether to withdraw the resolution that had been adopted by unanimous vote.

The Board resolved, by majority vote, to confirm the previous resolution with the sole vote against of Mr Bivona. As of today, the donation has not yet been made.

The matter is irrelevant to the agenda of the Meeting and does not concern any conduct of the members of the Board of Directors.

#### **QUESTION N.6**

***We wish to ask confirmation of and reasons for the information reported in the communication of 28 December 2016 (annex 18 of the documentation published by the Company on 4 January 2017), according to which, as of 28 December 2016, the Company had yet not made available the minutes of the Board of Directors' meeting of 5 August 2016.***

#### **ANSWER**

We confirm that, as of 28 December 2016, the minutes of the Board of Directors' meeting of 5 August 2016 had not been submitted to directors and auditors. To this end, the Company considers it necessary to clarify that the delay in finalising the minutes of the Board of Directors' meetings is due to the complex minute-taking process: the drafting of the minutes of the Board of Directors' meetings (which lasted up to 13 hours, with an average duration of 5 hours 20 minutes, against the average for listed companies of 2 hours 15 minutes and a frequency of 9 meetings in 7 months against the average of 10 in one year, as reported in the Corporate Governance Report of Assonime, note 18/2016, pages 24 et seq.) involves transcribing the recordings in English and in Italian; furthermore, often some directors (and specifically the board member Bivona) have demanded to hear the recording again and requested to amend the minutes so as to faithfully record their speeches. This process does not allow drafting summarised versions of the minutes.

#### **QUESTION N.7**

***We wish to know whether as of today, after more than five months, the minutes of 5 August 2016 have been sent in their full version in both Italian and English and whether, also with regard to other minutes, the sending to the directors and Board of Auditors members has been omitted.***

#### **ANSWER**

The minutes of the Board of Directors' meeting of 5 August 2016, as well as all the minutes concerning the following meetings of the Board of Directors have been made available for directors and auditors before the date of the Meeting.

#### **QUESTION N.8**

***We wish to know whether the Board of Auditors has ever criticised the Chairman of the Company's Board of Directors and the Secretary of the Board of Directors, which are in charge of taking the minutes, for the delay in sending the minutes of the Board of Directors' meetings.***

## ANSWER

The Board of Auditors has not specifically criticised the Chairman and the Secretary of the Board of Directors.

## QUESTION N.9

***With reference to the appointment that the Company granted to the law firm Paul Hastings to provide legal assistance (mentioned as "Annex 19" in Annex 12, page 5 of the documentation published by the Company on 4 January 2017), we wish to know a) what is, as of today, the amount invoiced by the law firm Paul Hastings; b) who – directors, auditors, secretary of the Board of Directors and other personnel of the Company – was aware of the appointment being granted and from when; c) when the board member de Benedictis was informed of the appointment granted to Paul Hastings; d) when was the entire Board of Directors stopped (NDT: correction: informed) of the existence of this appointment.***

## ANSWER

With regard to the timing for granting the appointment and the content thereof, we have already answered at point 4.

The information concerning the amounts invoiced by Paul Hastings were provided to the Board of Directors. The other information falls outside the agenda of the Meeting and the shareholders are not entitled to receive such information.

## QUESTION N.10

***We wish to know whether the content of the letter sent by board member Bivona (Annex 16 of the documentation published by the Company on 4 January 2017) is true. According to this letter, the Company allegedly repeatedly refused to provide the board member with the "pro-forma invoices" concerning the consultancy agreement with the law firm Paul Hastings signed on 20 June 2016.***

## ANSWER

The management of the relationship with the law firm Paul Hastings does not fall within the remit of Mr Bivona who even asked to provide the timesheets concerning the activity rendered.

## QUESTION N.11

***With reference to the previous question, we wish to know whether and when the Board of Directors has asked the Company to send to Mr Bivona the above information on the "pro-forma invoices"***

## ANSWER

The management of the relationship between the Company and one of its consultants does not fall within the remit of the Board of Auditors which, therefore, is not entitled to specify what documents the Board of Directors should send to Mr Bivona.

## QUESTION N.12

***We wish to know what was the subject-matter of the letter of 4 December 2016 (annex 14 of the documentation published by the Company on 4 January 2017), the content of which has been completely omitted. If the content involves any irregularity pointed out by Mr Bivona, we would like to know whom did these irregularity concern and what presumed violation of provisions of law or bylaws are concerned.***

## ANSWER

The letter of Mr Bivona to the Chairman of the Board of Auditors ends as follows: *“I would be grateful if you could specify (as I respectfully asked in my communication of 11 November 2016) exactly with whom, where and when the conversation suitable to refer to (non-pertinent) “requests” made by previous directors occurred, which triggered the decision of the Chairman Dormer to insert the matter on the agenda of the BoD of 28 October 2016”.*

It is clear that the content of the letter does not concern the Company and, even less so, the agenda of the Meeting.

## QUESTION N.13

***With reference to the letter of Mr Bivona of 11 November 2016 (Annex 13 of the documentation published by the Company on 4 January 2017), we wish to know:***

***(a) With reference to Paragraph I (“Delayed Communication to the Market of the agreement signed between the Chief Financial Officer Roberto Carassai and the Company on 19 October 2016”), the stance taken by the Board of Auditors on points:***

- ***“A” (annex 13, p.7)***
- ***“B” (annex 13, p.7)***
- ***“C” (annex 13, p.8)***

***(b) With reference to Paragraph II (“Regularity of the Agreement between the Company and Mr Carassai (19 October 2016), the stance taken by the Board of Auditors on points:***

- ***“D” (annex 13, p.11)***
- ***“E” (annex 13, p.11)***
- ***“F” (annex 13, p.12)***

***(c) What are the remarks under Paragraph III (with no title in the text that the Company has made available, annex 13, p.12);***

***(d) What is the content of point “q” of the list of “facts and circumstances [...] suitable to establish reasonable grounds to suspect the existence of potential (serious) irregularities (annex 13, p. 17)***

## ANSWER

With reference to the questions under a) and b), the Board of Auditors will explain its stance in the report on the complaint under Article 2408 of the Italian Civil Code, filed by the Elliot Funds. With regard to the questions under c) and d), an answer has already been given under point 5).

## QUESTION N.14

***In a press release issued on 12 January 2017, Mr. Bivona stated “not all remarks concerned the activity of directors appointed by Hitachi, but also of the Board of Auditors. However, any reference to the Board of Auditors has been carefully removed”. There is not trace thereof in any document produced by the Company. We wish to know whether Mr Bivona has actually made remarks to the Board of Auditors and their content***

## ANSWER

The Company is not aware of any remark made by Mr Bivona to the Board of Auditors. References to the admissibility of an increase in the remuneration of the Board of Auditors and to the charitable donation described above have been removed from the published documents.

As per the Company’s understanding, the Board of Auditors has answered to Mr Bivona’s requests when they fell within its remit.

## QUESTION N.15

*In the Opinion of Prof. Mazzone, published by the Company on 12 January 2017, reference is made –page 8 – to a “Memorandum of Understanding” concerning a EUR 1.3 billion project signed on 19 May 2016 by Ansaldo STS, Hitachi Rail and Astaldi with Ferrovie dello Stato (the main client of Hitachi Rail in Italy) without the prior approval of the Related Party Transactions Committee (of which Mr de Benedictis is the Chairman). In the complaint of Mr Bivona of 4 October 2016 (annex 11 of the documentation published by the Company on 4 January 2017), it is stated that the Company, in the person of the head of the Legal Department, Mr Filippo Corsi, maintained that the Memorandum of Understanding was allegedly exempt from the authorisation of the Related Party Transactions Committee pursuant to Article 10.2.C of the Ansaldo STS Regulation on Related Party Transactions as the transaction was to be qualified as “Routine Transactions entered into at conditions that are similar to those usually applied to non-related parties for transactions of a similar nature, value and risk”. We wish to know what are the memorandums of understanding “usually” signed by Ansaldo STS with non-related parties which can be considered similar to the Memorandum of Understanding due to their “value” (EUR 1.3. billion), “nature” (the award of an offer to a third party company” and “risk” (project-related risk, country-related (Iran) risk):*

- In 2016
- In 2015; and
- In 2014
- 

## ANSWER

Prof. Mazzone did not reach the conclusion that Mr de Benedictis did not meet the independence requirements, but held that he was a *person at risk of being dependent from Hitachi*, due to its conduct during his office, for example in the case concerning the Memorandum of Understanding for a possible project in Iran.

With regard to that possible project, on 5 August 2016, the Related Party Transactions Committee, chaired by Mr de Benedictis, evaluated that transaction as routine and, as such, exempt from the authorisation pursuant to Article 10.2.c. of the Related Party Transactions Procedure because the offer was not final and contained no binding commitments. Furthermore, it was entered into “*at conditions that are similar to those usually applied to non-related parties for transactions of a similar nature, value and risk, or based on regulated tariffs or fixed prices, or applied to subjects with whom the Company is bound by law to apply a specific price, without prejudice to the obligation to comply with the provisions concerning information and disclosure under Article 13 of the Regulation*”.

The Company’s share within the overall project cannot be determined as of today but, if a final offer were made, it is expected to be lower than EUR 350 million.

## QUESTION N.16

*We wish to know whether the Board of Auditors has assessed the correctness and truthfulness of the statement made by the Head of the Legal Department, Mr. Filippo Corsi, according to which the Memorandum of Understanding was not subject to the approval of the Related Party Committee pursuant to Article Related Party Transactions Regulation.*

## ANSWER

The question is addressed to the Board of Auditors and is not an item on the agenda.

#### QUESTION N.17

***We wish to know, if the 'Bid Committee', which the Company established on 28 October 2016 had been established since 1 January 2016, how many offers in 2016 would have exceeded the EUR 350 million limit (thus falling outside the delegation powers entrusted to the Bid Committee)***

#### ANSWER

In 2016, the offers of the Company for works of a value exceeding EUR 350 million or exceeding the profitability limit of the powers granted to the CEO (and thus falling within the powers of the Board of Directors), were 6. 6 additional offers had a value between EUR 150 million (the limit of the powers of the CEO) and EUR 350 million (the limit of the powers of the Bid Committee), while 4 offers of a value between EUR 50 and 150 million fell within the delegation powers of the CEO. We omit to refer the number of offers of a value under EUR 50 million (which also fall within the powers of the CEO).

#### QUESTION N.18

***We wish to know whether the complaints made available by the Company are all the complaints that the Company and its statutory bodies (Board of Directors, Board of Auditors) have received from Mr Bivona or there are other complaints the content of which has not been made available. In such case, we ask to specify the number of complaints which have not been made available to the public (and, therefore, to the minority shareholders), the date of the complaints that have been omitted and the reasons for the omissions***

#### ANSWER

On 4 January 2017, the Company published all the documentation that was available to it, due to it being transmitted by the Board of Directors, by Mr Bivona himself, or received through the Board of Auditors. Based on the numbering that Mr Bivona attributed to his complaints (through the numbering of the .pdf files), as of today, there are 33 complaints (about one complaint per week). The Company only knows the content of the complaints that have been made available to the public and of the letters that it has subsequently received (whose content repeats the contents of the previous complaints).

#### QUESTION N.19

***In the complaint of 11 November 2016 (annex 12 of the documentation published by the Company on 4 January 2017), reference is made (on page 15) to "Annex 17 – Draft Explanatory Report for the Shareholders' Meeting of 15 December 2016", which was obviously not convened: what were the items on the agenda as proposed to the Board?***

#### ANSWER

The two items on the agenda were the following:

1. Adjustment of the remuneration to be paid to the Board of Auditors. Resolution related thereto and ensuing therefrom;
2. Termination by mutual agreement and appointment of a new auditing firm.

The first point has already been addressed and the matter is closed.

With regard to the second point, please note that before the Board of Directors' meeting of 28 October 2016, the Company, following a previous exchange of communications with KPMG and the shareholder

Hitachi, invited KPMG to explain in detail the reasons of a possible conflict of interest between its auditing activity for Ansaldo and the advisory services rendered to the Hitachi Group.

KPMG replied its letter of 27 October 2016, without making any detailed reference to specific incompatibilities associated with the performance of the auditing activities for Ansaldo, by only stating that that *"in the main areas of the world, it [was] unable to guarantee that the KPMG international network is not providing any services that are incompatible, within the meaning of Article 17, paragraph 3 of Legislative Decree No. 39/2010"*.

Within the items of the agenda, the Board of Directors' meeting of 28 October 2016 included the call of the meeting to appoint a new auditing firm. However, the Board unanimously resolved not to convene the meeting and to change the auditing firm on the occasion of the meeting convened to approve the 2016 financial statements. KPMG's communication did not show any incompatibility cases which made its replacement urgent.

Only subsequently, by letter of 14 November 2016, did KPMG tender its resignation from the post of external auditing firm, granted by Ansaldo for financial years 2012-2020, explaining that, based on an analysis of the services rendered to the Hitachi Group worldwide, it held that *"there would be threats to [their] independence which could affect KPMG's assessment pursuant to Article 14 of Legislative Decree No. 39/2010 concerning the Company's 2016 financial statements and consolidated financial statements"*.

Therefore, the replacement of the auditing company had become necessary and due to prevent the certification of the 2016 financial statements from being made by a non-independent auditing firm.

#### **QUESTION N.20**

***We wish to know the reason why, in the press release issued by Ansaldo STS on 3 January 2017, the Company maintained that all the remarks made by Mr Bivona "concerned matters of an organisational and procedural nature and not to the merits of management decisions", whereas a reading of the complaints clearly shows that Mr Bivona had also complained of specific "management" decisions, including the appointment of the CEO Barr and the decision made to pursue a EUR 1.3 billion deal (a project in Iran) by signing the Memorandum of Understanding which bound Ansaldo STS to Hitachi Rail without exploring other paths for the supply of the rolling stock.***

#### **ANSWER**

The appointment of Mr Andrew Barr as CEO represents an organisational decision of the Company, while the complaints regarding the signing of a Memorandum of Understanding concern the compliance with the Company's Related Party Transactions Procedure and not any inherently managerial decision.



## Questions presented by Shareholder Tommaso Marino

Spett. Ansaldo STS  
All'attenzione dell'Ufficio Societario  
Genova  
Sede

La società di revisione ha spiegato quali potrebbero essere le “situazioni idonee a compromettere l’indipendenza del revisore legale o della società di revisione” previste dall’art. 5, comma 1, lett. (f) del DM 261/2012?

La nuova società ci farà un prezzo migliore?

Cosa non andava in KPMG?

Le dimissioni danno diritto a quali benefici economici per KPMG?

KPMG ha lamentato possibili minacce in Repubblica Ceca. A cosa intendeva riferirsi esattamente?

Di tali minacce KPMG ha parlato anche in passato ad Ansaldo STS, prima di optare per le dimissioni?

Avete provato a rimuovere detto ostacolo?

Come ha affrontato il problema il nostro Collegio Sindacale?

Dal punto di vista economico cosa sarebbe cambiato con la procedura di risoluzione consensuale per KPMG?

Perché il nuovo incarico a EY non si limita a 3 anni?

Di quanto aumenteranno i costi dovuti alla nuova assegnazione?

Ci sono conflitti d'interesse tra la nostra controllante e il Gruppo EY?

All'interno di EY lavorano soggetti che facciano parte del nostro Gruppo?

Grazie e buon lavoro.

Tommaso Marino

## ANSWERS PROVIDED TO TOMMASO MARINO

### QUESTION N.1

*Has the auditing firm explained what the "situations that might compromise the statutory auditor's or auditing firm independence" provided for under Article 5, paragraph 1, letter (f) of Ministerial Decree 261/2012 could be?*

#### ANSWER

In its resignation letter, the auditing firm KPMG stated that the situation which could jeopardise its independence (pursuant to Article 5, paragraph 1, letter (f) of Ministerial Decree 261/2012) consists in the payroll services provided by the KPMG *network* in the Czech Republic to companies belonging to the Hitachi Group.

### QUESTION N.2

*Will the new company offer us a better price?*

#### ANSWER

The fee estimated by EY for auditing the company for the next nine years is lower than the one currently agreed upon with KPMG.

A comparison between the costs proposed by EY and those agreed with KPMG, as well as a plan containing the details of the costs for the first year of EY's activities are available in the Q&As (cf. 2.2 and 2.3) for the first item on the agenda, which were published on Company's website on 16 January 2017.

### QUESTION N.3

*What was the problem with KPMG?*

#### ANSWER

Ansaldo STS S.p.A. (the "**Company**") did not terminate the contractual relationship with KPMG, which in fact ended as a result of KPMG's resignation. The reasons are indicated in the Explanatory Report drafted by the Board of Directors pursuant to Article 125-*ter* of Legislative Decree No. 58/98, which was published on the Company's website on 19 December 2016.

### QUESTION N.4

*Does this resignation entitle KPMG to any financial benefits?*

#### ANSWER

This resignation does not entitle KPMG to any financial benefits, which will only be entitled to receive compensation for the work performed until the date on which its assignment ended (therefore excluding the compensation for the budget certification activities conducted by it in connection with the 2016 financial statements).

## **QUESTION N.5**

***Has KPMG complained about possible threats in the Czech Republic. What was it referring to exactly?***

### **ANSWER**

KPMG has not given any explanation other than the one provided in its resignation letter, which was published on the Company's website as an attachment to the Explanatory Report concerning the first item on the Shareholders' Meeting Agenda.

## **QUESTION N.6**

***Has KPMG ever told Ansaldo STS about such threats in the past, before tendering its resignation?***

### **ANSWER**

After Hitachi acquired a controlling stake in the Company, KPMG Group generically made reference to a potential conflict of interest between the audit activities performed on behalf of the Company and the professional services provided to some of the companies belonging to the Hitachi Group (without, however, making specific reference to any situations of incompatibility).

More specifically, in its letter dated 27 October 2016, KPMG wrote that, in light of Hitachi's presence "*in the main areas of the world, it [was] unable to guarantee that the KPMG international network is not providing any services that are incompatible, within the meaning of Article 17, paragraph 3 of Legislative Decree No. 39/2010*".

In light of the fact that the documentation provided by KPMG was inadequate and that the financial year was about to end, at the meeting held on 28 October 2016, the Board of Directors decided to put off any decision about changing the external statutory auditor to the Shareholders' Meeting that had been convened for the purpose of approving the 2016 financial statements.

Subsequently, on 14 November 2016, KPMG tendered its resignation from the post of external statutory auditor, reporting that there were, in fact, situations (and namely the provision of payroll services in the Czech Republic) that might affect its independence.

## **QUESTION N.7**

***Have you tried to remove such obstacle?***

### **ANSWER**

The Company was not in a position to remove the causes that could compromise KPMG's independence since, prior to receiving the letter of resignation, it was not aware of the activities that could give rise to such incompatibility.

## **QUESTION N.8**

***How did our Board of Statutory Auditors deal with the problem?***

### **ANSWER**

The Board of Statutory Auditors took note of KPMG's resignation and, following the resolution passed by the Board of Directors convening the Shareholders' Meeting for the purpose of appointing a new external statutory auditor, submitted its reasoned proposal pursuant to Article 13 of Legislative Decree No. 39/2010, in which it suggested appoint EY as the new external statutory auditors.

As to the grounds stated by the Board of Auditors in support of this proposal, reference is made to the Board of Directors' report, which was drafted pursuant to Article 125-ter of Legislative Decree 58/98 and which was published on the Company's website on 19 December 2016, as well as the Q&As, which can also be consulted on the Company's website and which were published on 16 January 2017.

#### **QUESTION N.9**

***Had the contractual relationship with Ansaldo STS S.p.A. been terminated by mutual consent, what would have changed for KPMG from a financial view point?***

#### **ANSWER**

The termination of the relationship with KPMG would not have had an impact that was different from the one caused by its resignation.

#### **QUESTION N.10**

***Why has EY been appointed for a term of not exceeding 3 years?***

#### **ANSWER**

Because Article 17 of Legislative Decree No. 39/2010 provides that external statutory auditors of listed companies remain in office for 9 years, with a three-year term applying only to unlisted companies that are subjected to the external auditing requirements provided for under Article 13 of Legislative Decree No. 39/2010.

#### **QUESTION N.11**

***How much will costs increase as a result of the new appointment?***

#### **ANSWER**

There will be no increase in costs for the Company since the financial estimate submitted by EY is lower than the costs agreed upon with KPMG.

Please see the comparative chart and diagram detailing the costs for the first year of EY's activities, which are set out in the Q&As (cf. 2.2 and 2.3) published on the Company's website on 16 January 2017.

#### **QUESTION N.12**

***Are there conflicts of interest between our parent company and the EY Group?***

#### **ANSWER**

There are no conflicts of interest between the controlling shareholder Hitachi and the EY Group, which has verified in an adequate manner that there are no assignments that could adversely affect its independence as the Company's external statutory auditor.

**QUESTION N.13**

*Are there inside EY individuals that are part of our group?*

**ANSWER**

No, it would be impossible for Ansaldo or Hitachi Group employees to work for EY.

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUARY 2017

Ansaldo STS A Hitachi Group Company

Result of the vote on item **1**  
of the ordinary part of the agenda

**Resignation of the auditing company KPMG S.p.A. and appointment of the new external auditor**

### Shareholders present

<b>In person</b>	n°	<b>3</b>	for n°	<b>111</b>	Shares	<b>0,00</b> % of the share capital
<b>By proxy</b>	n°	<b>171</b>	for n°	<b>169.580.368</b>	Shares	<b>84,79</b> % of the share capital
<b>TOTAL PRESENT</b>	n°	<b>174</b>	for n°	<b>169.580.479</b>	Shares	<b>84,79</b> % of the share capital

### Result of the vote

<b>IN FAVOUR</b>	n°	<b>158</b>	Shareholders for	<b>117.488.596</b>	Shares	<b>69,282</b> % of participant capital
<b>AGAINST</b>	n°	<b>1</b>	Shareholders for	<b>141.164</b>	Shares	<b>0,083</b> % of participant capital
<b>ABSTAINED</b>	n°	<b>15</b>	Shareholders for	<b>51.950.719</b>	Shares	<b>30,635</b> % of participant capital
<b>TOTAL VOTERS</b>	n°	<b>174</b>	Shareholders for	<b>169.580.479</b>	Shares	<b>100,000</b> % of participant capital
<b>NON VOTERS</b>	n°	<b>0</b>	Shareholders for	<b>0</b>	Shares	<b>0,000</b> % of participant capital
<b>TOTAL PRESENT</b>	n°	<b>174</b>	Shareholders for	<b>169.580.479</b>		

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUARY 2017

Ansaldo STS A Hitachi Group Company

**Result on the vote on item 1  
of the ordinary part of the agenda**

**Resignation of the auditing company KPMG S.p.A. and appointment of the new external auditor**

### List of the voters in favour

BALLOT	SHAREHOLDER NAME	PROXY	NUMBER OF SHARES	
			TOTAL	WITH VOTING RIGHT
31	ASTENGO GIACOMO		100	100
153	CARADONNA GIANFRANCO MARIA		1	1
149	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	BALDELLI SONIA	3.863	3.863
150	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	BALDELLI SONIA	7.746	7.746
36	ALASKA PERMANENT FUND CORPORATION	BALDELLI SONIA	17.502	17.502
51	AQR INTERNATIONAL SMALL CAP EQUITY FUND, L.P.	BALDELLI SONIA	14.936	14.936
111	BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B	BALDELLI SONIA	24.125	24.125
112	BGI MSCI EMU IMI INDEX FUND B	BALDELLI SONIA	166	166
122	BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	BALDELLI SONIA	13.161	13.161
192	BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN	BALDELLI SONIA	763	763
104	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR	BALDELLI SONIA	51.029	51.029
110	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR	BALDELLI SONIA	107.468	107.468
39	BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	BALDELLI SONIA	4.504	4.504
62	BURROUGHS WELLCOME FUND	BALDELLI SONIA	1.823	1.823
178	CAISSE DES DEPOTS ET CONSIGNATIONS	BALDELLI SONIA	49.769	49.769
73	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	BALDELLI SONIA	229.182	229.182
74	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	BALDELLI SONIA	22.584	22.584
75	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	BALDELLI SONIA	14.001	14.001
117	CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	BALDELLI SONIA	51.171	51.171
35	CF DV ACWI EX-U.S. IMI FUND	BALDELLI SONIA	631	631
25	CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALLCAP PASSI	BALDELLI SONIA	3.090	3.090
130	CHEVRON MASTER PENSION TRUST	BALDELLI SONIA	10.490	10.490
138	CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	BALDELLI SONIA	17.684	17.684
63	CITY OF NEW YORK GROUP TRUST	BALDELLI SONIA	8.148	8.148
64	CITY OF NEW YORK GROUP TRUST	BALDELLI SONIA	13.827	13.827
65	CITY OF NEW YORK GROUP TRUST	BALDELLI SONIA	16.209	16.209
115	COLLEGE RETIREMENT EQUITIES FUND	BALDELLI SONIA	145.349	145.349
34	EASTSPRING INVESTMENTS	BALDELLI SONIA	6.453	6.453
177	FCP BNP EASY LOW CARBON100 EUROPE	BALDELLI SONIA	2.972	2.972
179	FCP ERAFP ACT IND11	BALDELLI SONIA	355.481	355.481
176	FCP REGARD SEL.ACT EURO.	BALDELLI SONIA	69.540	69.540
172	FIDELITY SAL ST T SPARTAN TOTAL INT IN F	BALDELLI SONIA	608	608
185	FLEXSHARES MORNINGSTAR DEVELOPED MARKETS EX-US FACTOR TILT INDEB	BALDELLI SONIA	2.145	2.145
127	FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST	BALDELLI SONIA	4.697	4.697
143	FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	BALDELLI SONIA	132	132
164	GAIKOKUKABU SUB FUND 1 LP	BALDELLI SONIA	3.481	3.481
42	GLOBAL INFRASTRUCTURE EQUITY FUND LONDON CAPITAL	BALDELLI SONIA	3.192	3.192

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUARY 2017

Ansaldo STS A Hitachi Group Company

### Result on the vote on item 1 of the ordinary part of the agenda

### Resignation of the auditing company KPMG S.p.A. and appointment of the new external auditor

37 GLOBAL MANAGED VOLATILITY FUND	BALDELLI SONIA	5.134	5.134
23 GOVERNMENT OF NORWAY	BALDELLI SONIA	2.230.460	2.230.460
68 GOVERNMENT OF THE REPUBLIC OF SINGAPORE	BALDELLI SONIA	1.823	1.823
67 HOME AFFAIRS UNIFORMED SERVICES (INVEST FUND)	BALDELLI SONIA	1.850	1.850
113 IBM 401K PLUS PLAN	BALDELLI SONIA	18.433	18.433
49 INTERNATIONAL MONETARY FUND	BALDELLI SONIA	1.556	1.556
50 INTERNATIONAL MONETARY FUND	BALDELLI SONIA	7.838	7.838
105 ISHARES CORE MSCI EAFE ETF	BALDELLI SONIA	132.237	132.237
107 ISHARES CORE MSCI EAFE IMI INDEX ETF	BALDELLI SONIA	4.379	4.379
109 ISHARES CORE MSCI EUROPE ETF	BALDELLI SONIA	26.738	26.738
106 ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	BALDELLI SONIA	30.484	30.484
102 ISHARES MSCI EAFE SMALL CAP ETF	BALDELLI SONIA	392.084	392.084
108 ISHARES MSCI EUROPE IMI INDEX ETF	BALDELLI SONIA	2.084	2.084
103 ISHARES MSCI EUROPE SMALL-CAP ETF	BALDELLI SONIA	7.513	7.513
121 ISHARES VII PLC	BALDELLI SONIA	105.648	105.648
148 Illinois State Board of Investment	BALDELLI SONIA	9.569	9.569
181 JPMORGAN FUNDS	BALDELLI SONIA	47.800	47.800
60 LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF	BALDELLI SONIA	5.168	5.168
33 LBPAM RESPONSABLE ACTIONS ENVY	BALDELLI SONIA	146.016	146.016
21 LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST	BALDELLI SONIA	2.580	2.580
22 LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	BALDELLI SONIA	11.716	11.716
26 LITESPEED MANAGEMENT LLC LITESPEED MASTER FUND LTD	BALDELLI SONIA	7.903.597	7.903.597
41 LONDON LIFE INSURANCE COMPANY .	BALDELLI SONIA	345.145	345.145
137 LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	BALDELLI SONIA	13.093	13.093
43 MACKENZIE DIVERSIFIED ALTERNATIVES FUND	BALDELLI SONIA	5.164	5.164
61 MARYLAND STATE RETIREMENT & PENSION SYSTEM	BALDELLI SONIA	1.062	1.062
52 MERCER DIOCESE OF BROOKLYN LAY PENSION INVESTMENT TRUST	BALDELLI SONIA	2.040	2.040
144 MICHELIN NORTH AMERICA (CANADA) INC. MASTER TRUST	BALDELLI SONIA	5.319	5.319
139 MICHELIN NORTH AMERICA INC. MASTER RETIREMENT TRUST	BALDELLI SONIA	16.130	16.130
59 MM SELECT EQUITY ASSET FUND	BALDELLI SONIA	1.515	1.515
119 MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	BALDELLI SONIA	30.521	30.521
147 MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO	BALDELLI SONIA	7.537	7.537
180 Mercer Unhedged Overseas Shares Trust	BALDELLI SONIA	6.752	6.752
132 NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P.R.C	BALDELLI SONIA	10.341	10.341
188 NATIONWIDE SMALL CAP INDEX FUND	BALDELLI SONIA	5.827	5.827
196 NEW MEXICO STATE INVESTMENT COUNCIL	BALDELLI SONIA	2.248	2.248
197 NEW MEXICO STATE INVESTMENT COUNCIL	BALDELLI SONIA	3.797	3.797
133 NEW ZEALAND SUPERANNUATION FUND	BALDELLI SONIA	3.389	3.389
134 NEW ZEALAND SUPERANNUATION FUND	BALDELLI SONIA	7.050	7.050
135 NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	BALDELLI SONIA	66.958	66.958
140 NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	BALDELLI SONIA	26.596	26.596



# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUARY 2017

Ansaldo STS A Hitachi Group Company

### Result on the vote on item 1 of the ordinary part of the agenda

### Resignation of the auditing company KPMG S.p.A. and appointment of the new external auditor

131 NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	BALDELLI SONIA	3.285	3.285
66 OMERS ADMINISTRATION CORPORATION	BALDELLI SONIA	6.905	6.905
182 ONEPATH GLOBAL SHARES - SMALL CAP INDEX	BALDELLI SONIA	6.904	6.904
56 PARAMETRIC INTERNATIONAL EQUITY FUND	BALDELLI SONIA	6.279	6.279
146 PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	BALDELLI SONIA	18.026	18.026
193 PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	BALDELLI SONIA	10.439	10.439
194 PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	BALDELLI SONIA	25.970	25.970
168 SCHWAB FUNDAM INTER SMALL- COMP INDEX FD	BALDELLI SONIA	15.107	15.107
48 SCHWAB FUNDAMENTAL INTERNATIONAL SMALL COMPANY ETF	BALDELLI SONIA	24.510	24.510
47 SCHWAB INTERNATIONAL SMALL-CAP EQUITY ETF	BALDELLI SONIA	58.816	58.816
163 SEI GLOBAL ASSETS FUND PLC	BALDELLI SONIA	9.051	9.051
173 SEI INSTITUTIONAL MANAGED TRUST-TAX-MANAGED INTERNATIONAL MANAGI	BALDELLI SONIA	23.482	23.482
116 SPDR S+P INTERNATIONAL INDUSTRIAL SECTOR ETF	BALDELLI SONIA	3.940	3.940
99 SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	BALDELLI SONIA	1.895	1.895
100 SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	BALDELLI SONIA	100.291	100.291
118 SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	BALDELLI SONIA	19.958	19.958
120 SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	BALDELLI SONIA	54.514	54.514
98 SSGA RUSSELL FD GL EX-US INDEX NONLENDING QP COMMON TRUST FUND	BALDELLI SONIA	1.033	1.033
69 SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	BALDELLI SONIA	8.981	8.981
70 SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	BALDELLI SONIA	1.072	1.072
71 SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	BALDELLI SONIA	9.111	9.111
72 SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	BALDELLI SONIA	330	330
114 STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	BALDELLI SONIA	3.495	3.495
32 STG PFDS V.D. GRAFISCHE	BALDELLI SONIA	36.631	36.631
145 STICHTING PENSIOENFONDS APF	BALDELLI SONIA	2.611	2.611
187 STICHTING PENSIOENFONDS VOOR HUISARTSEN	BALDELLI SONIA	7.250	7.250
123 STICHTING PHILIPS PENSIOENFONDS	BALDELLI SONIA	14.946	14.946
128 STP NUCLEAR OPERATING COMPANY RETIREMENT TRUST	BALDELLI SONIA	3.253	3.253
125 SUNSUPER SUPERANNUATION FUND	BALDELLI SONIA	4.230	4.230
44 SYMMETRY COMPREHENSIVE EQUITY FUND	BALDELLI SONIA	106.009	106.009
58 TAX - MANAGED INTERNATIONAL EQUITY PORTFOLIO	BALDELLI SONIA	2.606	2.606
136 TEXAS SCOTTISH RITE HOSPITAL FOR CRIPPLED CHILDREN	BALDELLI SONIA	5.272	5.272
175 THE ADV.INNER C.CORNERST.AD.GL.PUB.EQ. F	BALDELLI SONIA	5.099	5.099
126 THE ARBITRAGE TACTICAL EQUITY FUND	BALDELLI SONIA	701	701
38 THE CANADA LIFE ASSURANCE COMPANY	BALDELLI SONIA	37.299	37.299
40 THE GREAT-WEST LIFE ASSURANCE COMPANY	BALDELLI SONIA	29.888	29.888
53 THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	BALDELLI SONIA	461	461
54 THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	BALDELLI SONIA	31	31
55 THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	BALDELLI SONIA	12	12
195 TRUST AND CUSTODY SERVICED BANK LIMITED	BALDELLI SONIA	2.261	2.261
45 U.S. AND INTERNATIONAL SPECIALTY CLASS	BALDELLI SONIA	2.574	2.574

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUARY 2017

Ansaldo STS A Hitachi Group Company

**Result on the vote on item 1  
of the ordinary part of the agenda**

**Resignation of the auditing company KPMG S.p.A. and appointment of the new external auditor**

57 UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	1.487	1.487
76 UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	8.350	8.350
77 UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	3.924	3.924
78 UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	3.758	3.758
79 UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	11.343	11.343
80 UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	6.040	6.040
81 UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	6.749	6.749
183 UBS (US) GROUP TRUST	BALDELLI SONIA	4.003	4.003
101 UBS ETF	BALDELLI SONIA	6.038	6.038
24 UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	BALDELLI SONIA	20.005	20.005
141 UTAH STATE RETIREMENT SYSTEMS	BALDELLI SONIA	5.208	5.208
142 UTAH STATE RETIREMENT SYSTEMS	BALDELLI SONIA	5.487	5.487
84 VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUND	BALDELLI SONIA	154	154
167 VANGUARD DEVELOPED MARKETS INDEX FUND	BALDELLI SONIA	411.701	411.701
166 VANGUARD EUROPEAN STOCK INDEX FUND	BALDELLI SONIA	186.438	186.438
170 VANGUARD FTSE ALL-WORLD EX-US SMALL CAP INDEX FUND	BALDELLI SONIA	161.640	161.640
83 VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	BALDELLI SONIA	615	615
82 VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	BALDELLI SONIA	831	831
184 VANGUARD INTERNATIONAL SMALL COMPANIES I	BALDELLI SONIA	3.244	3.244
124 VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUND	BALDELLI SONIA	102	102
171 VANGUARD INVESTMENT SERIES PLC	BALDELLI SONIA	19.027	19.027
186 VANGUARD TOTAL INTERNATIONAL STOCK INDEX	BALDELLI SONIA	1.150.369	1.150.369
169 VANGUARD TOTAL WORLD STOCK INDEX FUND	BALDELLI SONIA	39.078	39.078
89 WASHINGTON STATE INVESTMENT BOARD	BALDELLI SONIA	57.475	57.475
90 WASHINGTON STATE INVESTMENT BOARD	BALDELLI SONIA	4.560	4.560
85 WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	BALDELLI SONIA	7.638	7.638
86 WELLS FARGOMASTER TRUST DIVERSIFIED STOCK PORTFOLIO	BALDELLI SONIA	4.371	4.371
129 WHEELS COMMON INVESTMENT FUND	BALDELLI SONIA	4.969	4.969
91 WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	BALDELLI SONIA	23.130	23.130
92 WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL SMALLCAP	BALDELLI SONIA	168	168
97 WISDOMTREE EUROPE HEDGED EQUITY INDEX ETF	BALDELLI SONIA	414	414
96 WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	BALDELLI SONIA	40.519	40.519
95 WISDOMTREE EUROPE LOCAL RECOVERY FUND	BALDELLI SONIA	886	886
94 WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND	BALDELLI SONIA	123	123
93 WISDOMTREE INTERNATIONAL SMALLCAP DIVIDEND FUND	BALDELLI SONIA	131.531	131.531
87 WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	BALDELLI SONIA	3.737	3.737
88 WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	BALDELLI SONIA	257	257
174 WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUIT	BALDELLI SONIA	783	783
30 HITACHI RAIL ITALY INVESTMENTS	PREMONTE RAIMONDO	101.544.702	101.544.702

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUARY 2017

Ansaldo STS A Hitachi Group Company

Result on the vote on item **1**  
of the ordinary part of the agenda

**Resignation of the auditing company KPMG S.p.A. and appointment of the new external auditor**

### Overview of voters in favour

<b>TOTAL IN FAVOUR</b>	n°	<b>158 shareholders for n°</b>	<b>117.488.596 Shares</b>
of which			69,28 % of participant capital
<b>IN PERSON</b>	n°	<b>2 shareholders for n°</b>	<b>101 Shares</b>
			0,00 % of participant capital
<b>BY PROXY</b>	n°	<b>156 shareholders for n°</b>	<b>117.488.495 Shares</b>
			69,28 % of participant capital

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUAR 2017

Ansaldo STS A Hitachi Group Company

Result on the vote on item **1**  
of the ordinary part of the agenda

**Resignation of the auditing company KPMG S.p.A. and appointment of the new external auditor**

### List of voters against

BALLOT	SHAREHOLDER NAME	PROXY	NUMBER OF SHARES	
			TOTAL	WITH VOTING RIGHT
189	WEST YORKSHIRE PENSION FUND	BALDELLI SONIA	141.164	141.164

### Overview of voters against

<b>TOTAL AGAINST</b>	n°	<b>1 shareholders for n°</b>	<b>141.164 Shares</b>
of which			0,08 % of participant capital
<b>IN PERSON</b>	n°	<b>0 shareholders for n°</b>	<b>0 Shares</b>
			0,00 % of participant capital
<b>BY PROXY</b>	n°	<b>1 shareholders for n°</b>	<b>141.164 Shares</b>
			0,08 % of participant capital

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUARY 2017

Ansaldo STS A Hitachi Group Company

Result on the vote on item **1**  
of the ordinary part of the agenda

**Resignation of the auditing company KPMG S.p.A. and appointment of the new external auditor**

### List of abstentions

BALLOT	SHAREHOLDER NAME	PROXY	NUMBER OF SHARES	
			TOTAL	WITH VOTING RIGHT
29	BRAGHERO CARLO MARIA		10	10
198	SAND GROVE OPPORTUNITIES MASTER FUND LTD	BALDELLI SONIA	17.317	17.317
18	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIM	SCIANNACA BRUNO	2.587.349	2.587.349
190	ELLIOTT INTERNATIONAL L.P.	FURLANI GIORGIO ARONN	24.813.093	24.813.093
12	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIM	FURLANI GIORGIO ARONN	2.584.378	2.584.378
13	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIM	FURLANI GIORGIO ARONN	1.027.285	1.027.285
165	ALPHA UCITS SICAV-AMBER EQUITY FUND	ALBANO ARTURO	986.783	986.783
46	AMBER ACTIVE INVESTORS LIMITED	ALBANO ARTURO	4.277.085	4.277.085
14	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD	ALBANO ARTURO	789.123	789.123
19	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD	ALBANO ARTURO	793.448	793.448
17	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERI)	COCIRIO STEFANO	1.041.854	1.041.854
16	ELLIOTT ASSOCIATES LP C/O THE CORPORATION TRUST COMPANY CC	PRATELLI MATTEO MARIA	505.977	505.977
191	THE LIVERPOOL LIMITED PARTNERSHIP	SUCCI GIANPIERO	11.956.212	11.956.212
28	BLUEBELL PARTNERS LIMITED	TARICCO MARCO	10	10
11	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERI)	TARICCO MARCO	570.795	570.795

### Overview of abstentions

<b>TOTAL ABSTAINERS</b>	n°	<b>15 shareholders for n°</b>	<b>51.950.719 Shares</b>
of which			30,63 % of participant capital
<b>IN PERSON</b>	n°	<b>1 shareholders for n°</b>	<b>10 Shares</b>
			0,00 % of participant capital
<b>BY PROXY</b>	n°	<b>14 shareholders for n°</b>	<b>51.950.709 Shares</b>
			30,63 % of participant capital

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUARY 2017

Ansaldo STS A Hitachi Group Company

Result on the vote on item **1**  
of the ordinary part of the agenda

**Resignation of the auditing company KPMG S.p.A. and appointment of the new external auditor**

### List of non-voters

### Overview of non-voters

<b>TOTAL NON-VOTERS</b>	n°	<b>0</b> shareholders for n°	<b>0 Shares</b> 0,00 % of participant capital
of which			
<b>IN PERSON</b>	n°	<b>0</b> shareholders for n°	<b>0 Shares</b> 0,00 % of participant capital
<b>BY PROXY</b>	n°	<b>0</b> shareholders for n°	<b>0 Shares</b> 0,00 % of participant capital

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUARY 2017

Ansaldo STS A Hitachi Group Company

Result of the vote on item **2**  
of the ordinary part of the agenda

**Action for liability pursuant to Article 2393 of the Italian Civil Code against the director Mr. Giuseppe Bivona. Resolutions pertaining thereto and/or resulting therefrom**

### Shareholders present

<b>In person</b>	n°	<b>2</b>	for n°	<b>110</b>	Shares	<b>0,00</b> % of the share capital
<b>By proxy</b>	n°	<b>171</b>	for n°	<b>169.580.368</b>	Shares	<b>84,79</b> % of the share capital
<b>TOTAL PRESENT</b>	n°	<b>173</b>	for n°	<b>169.580.478</b>	Shares	<b>84,79</b> % of the share capital

### Result of the vote

<b>IN FAVOUR</b>	n°	<b>5</b>	Shareholders for	<b>101.559.387</b>	Shares	<b>59,889</b> % of participant capital
<b>AGAINST</b>	n°	<b>166</b>	Shareholders for	<b>67.806.202</b>	Shares	<b>39,985</b> % of participant capital
<b>ABSTAINED</b>	n°	<b>2</b>	Shareholders for	<b>214.889</b>	Shares	<b>0,127</b> % of participant capital
<b>TOTAL VOTERS</b>	n°	<b>173</b>	Shareholders for	<b>169.580.478</b>	Shares	<b>100,000</b> % of participant capital
<b>NON VOTERS</b>	n°	<b>0</b>	Shareholders for	<b>0</b>	Shares	<b>0,000</b> % of participant capital
<b>TOTAL PRESENT</b>	n°	<b>173</b>	Shareholders for	<b>169.580.478</b>		

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUARY 2017

Ansaldo STS A Hitachi Group Company

Result on the vote on item **2**  
of the ordinary part of the agenda

**Action for liability pursuant to Article 2393 of the Italian Civil Code against the director Mr. Giuseppe Bivona. Resolutions pertaining thereto and/or resulting therefrom**

### List of the voters in favour

BALLOT	SHAREHOLDER NAME	PROXY	NUMBER OF SHARES	
			TOTAL	WITH VOTING RIGHT
56	PARAMETRIC INTERNATIONAL EQUITY FUND	BALDELLI SONIA	6.279	6.279
58	TAX - MANAGED INTERNATIONAL EQUITY PORTFOLIO	BALDELLI SONIA	2.606	2.606
175	THE ADV.INNER C.CORNERST.AD.GL.PUB.EQ. F	BALDELLI SONIA	5.099	5.099
126	THE ARBITRAGE TACTICAL EQUITY FUND	BALDELLI SONIA	701	701
30	HITACHI RAIL ITALY INVESTMENTS	PREMONTE RAIMONDO	101.544.702	101.544.702

### Overview of voters in favour

<b>TOTAL IN FAVOUR</b>	n°	<b>5 shareholders for n°</b>	<b>101.559.387 Shares</b>
of which			59,89 % of participant capital
<b>IN PERSON</b>	n°	<b>0 shareholders for n°</b>	<b>0 Shares</b>
			0,00 % of participant capital
<b>BY PROXY</b>	n°	<b>5 shareholders for n°</b>	<b>101.559.387 Shares</b>
			59,89 % of participant capital



# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUAR 2017

Ansaldo STS A Hitachi Group Company

**Result on the vote on item 2  
of the ordinary part of the agenda**

**Action for liability pursuant to Article 2393 of the Italian Civil Code against the director  
Mr. Giuseppe Bivona. Resolutions pertaining thereto and/or resulting therefrom**

### List of voters against

BALLOT	SHAREHOLDER NAME	PROXY	NUMBER OF SHARES	
			TOTAL	WITH VOTING RIGHT
31	ASTENGO GIACOMO		100	100
29	BRAGHERO CARLO MARIA		10	10
149	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	BALDELLI SONIA	3.863	3.863
150	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	BALDELLI SONIA	7.746	7.746
36	ALASKA PERMANENT FUND CORPORATION	BALDELLI SONIA	17.502	17.502
51	AQR INTERNATIONAL SMALL CAP EQUITY FUND, L.P.	BALDELLI SONIA	14.936	14.936
111	BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B	BALDELLI SONIA	24.125	24.125
112	BGI MSCI EMU IMI INDEX FUND B	BALDELLI SONIA	166	166
122	BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDE	BALDELLI SONIA	13.161	13.161
192	BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN	BALDELLI SONIA	763	763
104	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT T	BALDELLI SONIA	51.029	51.029
110	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT T	BALDELLI SONIA	107.468	107.468
39	BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PL	BALDELLI SONIA	4.504	4.504
62	BURROUGHS WELLCOME FUND	BALDELLI SONIA	1.823	1.823
178	CAISSE DES DEPOTS ET CONSIGNATIONS	BALDELLI SONIA	49.769	49.769
73	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	BALDELLI SONIA	229.182	229.182
74	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	BALDELLI SONIA	22.584	22.584
75	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	BALDELLI SONIA	14.001	14.001
117	CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	BALDELLI SONIA	51.171	51.171
35	CF DV ACWI EX-U.S. IMI FUND	BALDELLI SONIA	631	631
25	CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALLCA	BALDELLI SONIA	3.090	3.090
130	CHEVRON MASTER PENSION TRUST	BALDELLI SONIA	10.490	10.490
138	CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	BALDELLI SONIA	17.684	17.684
63	CITY OF NEW YORK GROUP TRUST	BALDELLI SONIA	8.148	8.148
64	CITY OF NEW YORK GROUP TRUST	BALDELLI SONIA	13.827	13.827
65	CITY OF NEW YORK GROUP TRUST	BALDELLI SONIA	16.209	16.209
34	EASTSPRING INVESTMENTS	BALDELLI SONIA	6.453	6.453
177	FCP BNP EASY LOW CARBON100 EUROPE	BALDELLI SONIA	2.972	2.972
179	FCP ERAFP ACT IND11	BALDELLI SONIA	355.481	355.481
172	FIDELITY SAL ST T SPARTAN TOTAL INT IN F	BALDELLI SONIA	608	608
185	FLEXSHARES MORNINGSTAR DEVELOPED MARKETS EX-US FACTOR TI	BALDELLI SONIA	2.145	2.145
127	FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST	BALDELLI SONIA	4.697	4.697
143	FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	BALDELLI SONIA	132	132
164	GAIKOKUKABU SUB FUND 1 LP	BALDELLI SONIA	3.481	3.481
42	GLOBAL INFRASTRUCTURE EQUITY FUND LONDON CAPITAL	BALDELLI SONIA	3.192	3.192
37	GLOBAL MANAGED VOLATILITY FUND	BALDELLI SONIA	5.134	5.134
23	GOVERNMENT OF NORWAY	BALDELLI SONIA	2.230.460	2.230.460
68	GOVERNMENT OF THE REPUBLIC OF SINGAPORE	BALDELLI SONIA	1.823	1.823
67	HOME AFFAIRS UNIFORMED SERVICES (INVEST FUND)	BALDELLI SONIA	1.850	1.850

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUAR 2017

Ansaldo STS A Hitachi Group Company

### Result on the vote on item 2 of the ordinary part of the agenda

### Action for liability pursuant to Article 2393 of the Italian Civil Code against the director Mr. Giuseppe Bivona. Resolutions pertaining thereto and/or resulting therefrom

113	IBM 401K PLUS PLAN	BALDELLI SONIA	18.433	18.433
49	INTERNATIONAL MONETARY FUND	BALDELLI SONIA	1.556	1.556
50	INTERNATIONAL MONETARY FUND	BALDELLI SONIA	7.838	7.838
105	ISHARES CORE MSCI EAFE ETF	BALDELLI SONIA	132.237	132.237
107	ISHARES CORE MSCI EAFE IMI INDEX ETF	BALDELLI SONIA	4.379	4.379
109	ISHARES CORE MSCI EUROPE ETF	BALDELLI SONIA	26.738	26.738
106	ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	BALDELLI SONIA	30.484	30.484
102	ISHARES MSCI EAFE SMALL CAP ETF	BALDELLI SONIA	392.084	392.084
108	ISHARES MSCI EUROPE IMI INDEX ETF	BALDELLI SONIA	2.084	2.084
103	ISHARES MSCI EUROPE SMALL-CAP ETF	BALDELLI SONIA	7.513	7.513
121	ISHARES VII PLC	BALDELLI SONIA	105.648	105.648
148	Illinois State Board of Investment	BALDELLI SONIA	9.569	9.569
181	JPMORGAN FUNDS	BALDELLI SONIA	47.800	47.800
60	LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF	BALDELLI SONIA	5.168	5.168
33	LBPAM RESPONSABLE ACTIONS ENVY	BALDELLI SONIA	146.016	146.016
21	LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST	BALDELLI SONIA	2.580	2.580
22	LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	BALDELLI SONIA	11.716	11.716
26	LITESPEED MANAGEMENT LLC LITESPEED MASTER FUND LTD	BALDELLI SONIA	7.903.597	7.903.597
41	LONDON LIFE INSURANCE COMPANY .	BALDELLI SONIA	345.145	345.145
137	LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	BALDELLI SONIA	13.093	13.093
43	MACKENZIE DIVERSIFIED ALTERNATIVES FUND	BALDELLI SONIA	5.164	5.164
61	MARYLAND STATE RETIREMENT & PENSION SYSTEM	BALDELLI SONIA	1.062	1.062
52	MERCER DIOCESE OF BROOKLYN LAY PENSION INVESTMENT TRUST	BALDELLI SONIA	2.040	2.040
144	MICHELIN NORTH AMERICA (CANADA) INC. MASTER TRUST	BALDELLI SONIA	5.319	5.319
139	MICHELIN NORTH AMERICA INC. MASTER RETIREMENT TRUST	BALDELLI SONIA	16.130	16.130
59	MM SELECT EQUITY ASSET FUND	BALDELLI SONIA	1.515	1.515
119	MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	BALDELLI SONIA	30.521	30.521
147	MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO	BALDELLI SONIA	7.537	7.537
180	Mercer Unhedged Overseas Shares Trust	BALDELLI SONIA	6.752	6.752
132	NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P.R.C	BALDELLI SONIA	10.341	10.341
188	NATIONWIDE SMALL CAP INDEX FUND	BALDELLI SONIA	5.827	5.827
196	NEW MEXICO STATE INVESTMENT COUNCIL	BALDELLI SONIA	2.248	2.248
197	NEW MEXICO STATE INVESTMENT COUNCIL	BALDELLI SONIA	3.797	3.797
133	NEW ZEALAND SUPERANNUATION FUND	BALDELLI SONIA	3.389	3.389
134	NEW ZEALAND SUPERANNUATION FUND	BALDELLI SONIA	7.050	7.050
135	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	BALDELLI SONIA	66.958	66.958
140	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	BALDELLI SONIA	26.596	26.596
131	NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLE	BALDELLI SONIA	3.285	3.285
66	OMERS ADMINISTRATION CORPORATION	BALDELLI SONIA	6.905	6.905
182	ONEPATH GLOBAL SHARES - SMALL CAP INDEX	BALDELLI SONIA	6.904	6.904
146	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	BALDELLI SONIA	18.026	18.026
193	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	BALDELLI SONIA	10.439	10.439
194	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	BALDELLI SONIA	25.970	25.970
198	SAND GROVE OPPORTUNITIES MASTER FUND LTD	BALDELLI SONIA	17.317	17.317

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUAR 2017

Ansaldo STS A Hitachi Group Company

### Result on the vote on item 2 of the ordinary part of the agenda

### Action for liability pursuant to Article 2393 of the Italian Civil Code against the director Mr. Giuseppe Bivona. Resolutions pertaining thereto and/or resulting therefrom

168	SCHWAB FUNDAM INTER SMALL- COMP INDEX FD	BALDELLI SONIA	15.107	15.107
48	SCHWAB FUNDAMENTAL INTERNATIONAL SMALL COMPANY ETF	BALDELLI SONIA	24.510	24.510
47	SCHWAB INTERNATIONAL SMALL-CAP EQUITY ETF	BALDELLI SONIA	58.816	58.816
163	SEI GLOBAL ASSETS FUND PLC	BALDELLI SONIA	9.051	9.051
173	SEI INSTITUTIONAL MANAGED TRUST-TAX-MANAGED INTERNATIONAL	BALDELLI SONIA	23.482	23.482
116	SPDR S+P INTERNATIONAL INDUSTRIAL SECTOR ETF	BALDELLI SONIA	3.940	3.940
99	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMEN	BALDELLI SONIA	1.895	1.895
100	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMEN	BALDELLI SONIA	100.291	100.291
118	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMEN	BALDELLI SONIA	19.958	19.958
120	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMEN	BALDELLI SONIA	54.514	54.514
98	SSGA RUSSELL FD GL EX-US INDEX NONLENDING QP COMMON TRUST	BALDELLI SONIA	1.033	1.033
69	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	BALDELLI SONIA	8.981	8.981
70	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	BALDELLI SONIA	1.072	1.072
71	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	BALDELLI SONIA	9.111	9.111
72	SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	BALDELLI SONIA	330	330
114	STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	BALDELLI SONIA	3.495	3.495
32	STG PFDS V.D. GRAFISCHE	BALDELLI SONIA	36.631	36.631
145	STICHTING PENSIOENFONDS APF	BALDELLI SONIA	2.611	2.611
187	STICHTING PENSIOENFONDS VOOR HUISARTSEN	BALDELLI SONIA	7.250	7.250
123	STICHTING PHILIPS PENSIOENFONDS	BALDELLI SONIA	14.946	14.946
128	STP NUCLEAR OPERATING COMPANY RETIREMENT TRUST	BALDELLI SONIA	3.253	3.253
125	SUNSUPER SUPERANNUATION FUND	BALDELLI SONIA	4.230	4.230
44	SYMMETRY COMPREHENSIVE EQUITY FUND	BALDELLI SONIA	106.009	106.009
136	TEXAS SCOTTISH RITE HOSPITAL FOR CRIPPLED CHILDREN	BALDELLI SONIA	5.272	5.272
38	THE CANADA LIFE ASSURANCE COMPANY	BALDELLI SONIA	37.299	37.299
40	THE GREAT-WEST LIFE ASSURANCE COMPANY	BALDELLI SONIA	29.888	29.888
53	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	BALDELLI SONIA	461	461
54	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	BALDELLI SONIA	31	31
55	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	BALDELLI SONIA	12	12
195	TRUST AND CUSTODY SERVICED BANK LIMITED	BALDELLI SONIA	2.261	2.261
45	U.S. AND INTERNATIONAL SPECIALTY CLASS	BALDELLI SONIA	2.574	2.574
57	UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	1.487	1.487
76	UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	8.350	8.350
77	UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	3.924	3.924
78	UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	3.758	3.758
79	UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	11.343	11.343
80	UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	6.040	6.040
81	UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	6.749	6.749
183	UBS (US) GROUP TRUST	BALDELLI SONIA	4.003	4.003
101	UBS ETF	BALDELLI SONIA	6.038	6.038
24	UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	BALDELLI SONIA	20.005	20.005
141	UTAH STATE RETIREMENT SYSTEMS	BALDELLI SONIA	5.208	5.208
142	UTAH STATE RETIREMENT SYSTEMS	BALDELLI SONIA	5.487	5.487
84	VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUI	BALDELLI SONIA	154	154

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUAR 2017

Ansaldo STS A Hitachi Group Company

### Result on the vote on item 2 of the ordinary part of the agenda

### Action for liability pursuant to Article 2393 of the Italian Civil Code against the director Mr. Giuseppe Bivona. Resolutions pertaining thereto and/or resulting therefrom

167	VANGUARD DEVELOPED MARKETS INDEX FUND	BALDELLI SONIA	411.701	411.701
166	VANGUARD EUROPEAN STOCK INDEX FUND	BALDELLI SONIA	186.438	186.438
170	VANGUARD FTSE ALL-WORLD EX-US SMALL CAP INDEX FUND	BALDELLI SONIA	161.640	161.640
83	VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETI	BALDELLI SONIA	615	615
82	VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	BALDELLI SONIA	831	831
184	VANGUARD INTERNATIONAL SMALL COMPANIES I	BALDELLI SONIA	3.244	3.244
124	VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUN	BALDELLI SONIA	102	102
171	VANGUARD INVESTMENT SERIES PLC	BALDELLI SONIA	19.027	19.027
186	VANGUARD TOTAL INTERNATIONAL STOCK INDEX	BALDELLI SONIA	1.150.369	1.150.369
169	VANGUARD TOTAL WORLD STOCK INDEX FUND	BALDELLI SONIA	39.078	39.078
89	WASHINGTON STATE INVESTMENT BOARD	BALDELLI SONIA	57.475	57.475
90	WASHINGTON STATE INVESTMENT BOARD	BALDELLI SONIA	4.560	4.560
85	WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TF	BALDELLI SONIA	7.638	7.638
86	WELLS FARGOMASTER TRUST DIVERSIFIED STOCK PORTFOLIO	BALDELLI SONIA	4.371	4.371
189	WEST YORKSHIRE PENSION FUND	BALDELLI SONIA	141.164	141.164
129	WHEELS COMMON INVESTMENT FUND	BALDELLI SONIA	4.969	4.969
91	WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	BALDELLI SONIA	23.130	23.130
92	WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL SMALLCAP	BALDELLI SONIA	168	168
97	WISDOMTREE EUROPE HEDGED EQUITY INDEX ETF	BALDELLI SONIA	414	414
96	WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	BALDELLI SONIA	40.519	40.519
95	WISDOMTREE EUROPE LOCAL RECOVERY FUND	BALDELLI SONIA	886	886
94	WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND	BALDELLI SONIA	123	123
93	WISDOMTREE INTERNATIONAL SMALLCAP DIVIDEND FUND	BALDELLI SONIA	131.531	131.531
87	WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	BALDELLI SONIA	3.737	3.737
88	WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	BALDELLI SONIA	257	257
174	WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARC	BALDELLI SONIA	783	783
18	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIM	SCIANNACA BRUNO	2.587.349	2.587.349
190	ELLIOTT INTERNATIONAL L.P	FURLANI GIORGIO ARONN	24.813.093	24.813.093
12	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIM	FURLANI GIORGIO ARONN	2.584.378	2.584.378
13	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIM	FURLANI GIORGIO ARONN	1.027.285	1.027.285
165	ALPHA UCITS SICAV-AMBER EQUITY FUND	ALBANO ARTURO	986.783	986.783
46	AMBER ACTIVE INVESTORS LIMITED	ALBANO ARTURO	4.277.085	4.277.085
14	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD	ALBANO ARTURO	789.123	789.123
19	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD	ALBANO ARTURO	793.448	793.448
17	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERI	COCIRIO STEFANO	1.041.854	1.041.854
16	ELLIOTT ASSOCIATES LP C/O THE CORPORATION TRUST COMPANY CC	PRATELLI MATTEO MARIA	505.977	505.977
191	THE LIVERPOOL LIMITED PARTNERSHIP	SUCCI GIANPIERO	11.956.212	11.956.212
28	BLUEBELL PARTNERS LIMITED	TARICCO MARCO	10	10
11	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERI	TARICCO MARCO	570.795	570.795

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUAR 2017

Ansaldo STS A Hitachi Group Company

Result on the vote on item **2**  
of the ordinary part of the agenda

**Action for liability pursuant to Article 2393 of the Italian Civil Code against the director Mr. Giuseppe Bivona. Resolutions pertaining thereto and/or resulting therefrom**

### Overview of voters against

<b>TOTAL AGAINST</b>	n°	<b>166</b> shareholders for n°	<b>67.806.202 Shares</b>
of which			39,98 % of participant capital
<b>IN PERSON</b>	n°	<b>2</b> shareholders for n°	<b>110 Shares</b>
			0,00 % of participant capital
<b>BY PROXY</b>	n°	<b>164</b> shareholders for n°	<b>67.806.092 Shares</b>
			39,98 % of participant capital

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUARY 2017

Ansaldo STS A Hitachi Group Company

Result on the vote on item **2**  
of the ordinary part of the agenda

Action for liability pursuant to Article 2393 of the Italian Civil Code against the director  
Mr. Giuseppe Bivona. Resolutions pertaining thereto and/or resulting therefrom

### List of abstentions

BALLOT	SHAREHOLDER NAME	PROXY	NUMBER OF SHARES	
			TOTAL	WITH VOTING RIGHT
115	COLLEGE RETIREMENT EQUITIES FUND	BALDELLI SONIA	145.349	145.349
176	FCP REGARD SEL.ACT EURO.	BALDELLI SONIA	69.540	69.540

### Overview of abstentions

<b>TOTAL ABSTAINERS</b>	n°	<b>2 shareholders for n°</b>	<b>214.889 Shares</b>
of which			0,13 % of participant capital
<b>IN PERSON</b>	n°	<b>0 shareholders for n°</b>	<b>0 Shares</b>
			0,00 % of participant capital
<b>BY PROXY</b>	n°	<b>2 shareholders for n°</b>	<b>214.889 Shares</b>
			0,13 % of participant capital

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUARY 2017

Ansaldo STS A Hitachi Group Company

Result on the vote on item **2**  
of the ordinary part of the agenda

**Action for liability pursuant to Article 2393 of the Italian Civil Code against the director Mr. Giuseppe Bivona. Resolutions pertaining thereto and/or resulting therefrom**

### List of non-voters

### Overview of non-voters

<b>TOTAL NON-VOTERS</b>	n°	<b>0</b> shareholders for n°	<b>0 Shares</b> 0,00 % of participant capital
of which			
<b>IN PERSON</b>	n°	<b>0</b> shareholders for n°	<b>0 Shares</b> 0,00 % of participant capital
<b>BY PROXY</b>	n°	<b>0</b> shareholders for n°	<b>0 Shares</b> 0,00 % of participant capital

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUARY 2017

Ansaldo STS A Hitachi Group Company

Result of the vote on item **3**  
of the ordinary part of the agenda

**Appointment of the new Director. Resolutions pertaining thereto and/or resulting therefrom**

### Shareholders present

<b>In person</b>	n°	<b>3</b>	for n°	<b>111</b>	Shares	<b>0,00</b> % of the share capital
<b>By proxy</b>	n°	<b>171</b>	for n°	<b>169.580.368</b>	Shares	<b>84,79</b> % of the share capital
<b>TOTAL PRESENT</b>	n°	<b>174</b>	for n°	<b>169.580.479</b>	Shares	<b>84,79</b> % of the share capital

### Result of the vote

<b>IN FAVOUR</b>	n°	<b>17</b>	Shareholders for	<b>146.646.451</b>	Shares	<b>86,476</b> % of participant capital
<b>AGAINST</b>	n°	<b>0</b>	Shareholders for	<b>0</b>	Shares	<b>0,000</b> % of participant capital
<b>ABSTAINED</b>	n°	<b>4</b>	Shareholders for	<b>6.846.439</b>	Shares	<b>4,037</b> % of participant capital
<b>TOTAL VOTERS</b>	n°	<b>21</b>	Shareholders for	<b>153.492.890</b>	Shares	<b>90,513</b> % of participant capital
<b>NON VOTERS</b>	n°	<b>153</b>	Shareholders for	<b>16.087.589</b>	Shares	<b>9,487</b> % of participant capital
<b>TOTAL PRESENT</b>	n°	<b>174</b>	Shareholders for	<b>169.580.479</b>		



# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUARY 2017

Ansaldo STS A Hitachi Group Company

Result on the vote on item **3**  
of the ordinary part of the agenda

**Appointment of the new Director. Resolutions pertaining thereto and/or resulting therefrom**

### List of the voters in favour

BALLOT	SHAREHOLDER NAME	PROXY	NUMBER OF SHARES	
			TOTAL	WITH VOTING RIGHT
31	ASTENGO GIACOMO		100	100
29	BRAGHERO CARLO MARIA		10	10
153	CARADONNA GIANFRANCO MARIA		1	1
56	PARAMETRIC INTERNATIONAL EQUITY FUND	BALDELLI SONIA	6.279	6.279
58	TAX - MANAGED INTERNATIONAL EQUITY PORTFOLIO	BALDELLI SONIA	2.606	2.606
175	THE ADV.INNER C.CORNERST.AD.GL.PUB.EQ. F	BALDELLI SONIA	5.099	5.099
126	THE ARBITRAGE TACTICAL EQUITY FUND	BALDELLI SONIA	701	701
18	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED	SCIANNACA BRUNO	2.587.349	2.587.349
190	ELLIOTT INTERNATIONAL L.P	FURLANI GIORGIO ARONNE	24.813.093	24.813.093
12	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED	FURLANI GIORGIO ARONNE	2.584.378	2.584.378
13	ELLIOTT INTERNATIONAL L.P., C/O MAPLES CORPORATE SERVICES LIMITED	FURLANI GIORGIO ARONNE	1.027.285	1.027.285
17	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERMUDA)	LCOCIRIO STEFANO	1.041.854	1.041.854
16	ELLIOTT ASSOCIATES LP C/O THE CORPORATION TRUST COMPANY CORPORATION	PRATELLI MATTEO MARIA	505.977	505.977
191	THE LIVERPOOL LIMITED PARTNERSHIP	SUCCI GIANPIERO	11.956.212	11.956.212
28	BLUEBELL PARTNERS LIMITED	TARICCO MARCO	10	10
11	THE LIVERPOOL LIMITED PARTNERSHIP C/O APPLEBY SERVICES (BERMUDA)	TARICCO MARCO	570.795	570.795
30	HITACHI RAIL ITALY INVESTMENTS	PREMONTE RAIMONDO	101.544.702	101.544.702

### Overview of voters in favour

<b>TOTAL IN FAVOUR</b>	n°	<b>17 shareholders for n°</b>	<b>146.646.451 Shares</b>
of which			86,48 % of participant capital
<b>IN PERSON</b>	n°	<b>3 shareholders for n°</b>	<b>111 Shares</b>
			0,00 % of participant capital
<b>BY PROXY</b>	n°	<b>14 shareholders for n°</b>	<b>146.646.340 Shares</b>
			86,48 % of participant capital

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUAR 2017

Ansaldo STS A Hitachi Group Company

Result on the vote on item **3**  
of the ordinary part of the agenda

**Appointment of the new Director. Resolutions pertaining thereto and/or resulting therefrom**

### List of voters against

### Overview of voters against

<b>TOTAL AGAINST</b>	n°	<b>0</b> shareholders for n°	<b>0 Shares</b> 0,00 % of participant capital
of which			
<b>IN PERSON</b>	n°	<b>0</b> shareholders for n°	<b>0 Shares</b> 0,00 % of participant capital
<b>BY PROXY</b>	n°	<b>0</b> shareholders for n°	<b>0 Shares</b> 0,00 % of participant capital

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUARY 2017

Ansaldo STS A Hitachi Group Company

Result on the vote on item **3**  
of the ordinary part of the agenda

**Appointment of the new Director. Resolutions pertaining thereto and/or resulting therefrom**

### List of abstentions

BALLOT	SHAREHOLDER NAME	PROXY	NUMBER OF SHARES	
			TOTAL	WITH VOTING RIGHT
165	ALPHA UCITS SICAV-AMBER EQUITY FUND	ALBANO ARTURO	986.783	986.783
46	AMBER ACTIVE INVESTORS LIMITED	ALBANO ARTURO	4.277.085	4.277.085
14	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD	ALBANO ARTURO	789.123	789.123
19	AMBER GLOBAL OPPORTUNITIES MASTER FUND LTD	ALBANO ARTURO	793.448	793.448

### Overview of abstentions

<b>TOTAL ABSTAINERS</b>	n°	<b>4 shareholders for n°</b>	<b>6.846.439 Shares</b>
of which			4,04 % of participant capital
<b>IN PERSON</b>	n°	<b>0 shareholders for n°</b>	<b>0 Shares</b>
			0,00 % of participant capital
<b>BY PROXY</b>	n°	<b>4 shareholders for n°</b>	<b>6.846.439 Shares</b>
			4,04 % of participant capital

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUARY 2017

Ansaldo STS A Hitachi Group Company

**Result on the vote on item 3  
of the ordinary part of the agenda**

**Appointment of the new Director. Resolutions pertaining thereto and/or resulting therefrom**

### List of non-voters

BALLOT	SHAREHOLDER NAME	PROXY	NUMBER OF SHARES	
			TOTAL	WITH VOTING RIGHT
149	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	BALDELLI SONIA	3.863	3.863
150	ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	BALDELLI SONIA	7.746	7.746
36	ALASKA PERMANENT FUND CORPORATION	BALDELLI SONIA	17.502	17.502
51	AQR INTERNATIONAL SMALL CAP EQUITY FUND, L.P.	BALDELLI SONIA	14.936	14.936
111	BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B	BALDELLI SONIA	24.125	24.125
112	BGI MSCI EMU IMI INDEX FUND B	BALDELLI SONIA	166	166
122	BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDE	BALDELLI SONIA	13.161	13.161
192	BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN	BALDELLI SONIA	763	763
104	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT T	BALDELLI SONIA	51.029	51.029
110	BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT T	BALDELLI SONIA	107.468	107.468
39	BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PL	BALDELLI SONIA	4.504	4.504
62	BURROUGHS WELLCOME FUND	BALDELLI SONIA	1.823	1.823
178	CAISSE DES DEPOTS ET CONSIGNATIONS	BALDELLI SONIA	49.769	49.769
73	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	BALDELLI SONIA	229.182	229.182
74	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	BALDELLI SONIA	22.584	22.584
75	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	BALDELLI SONIA	14.001	14.001
117	CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	BALDELLI SONIA	51.171	51.171
35	CF DV ACWI EX-U.S. IMI FUND	BALDELLI SONIA	631	631
25	CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALLCA	BALDELLI SONIA	3.090	3.090
130	CHEVRON MASTER PENSION TRUST	BALDELLI SONIA	10.490	10.490
138	CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	BALDELLI SONIA	17.684	17.684
63	CITY OF NEW YORK GROUP TRUST	BALDELLI SONIA	8.148	8.148
64	CITY OF NEW YORK GROUP TRUST	BALDELLI SONIA	13.827	13.827
65	CITY OF NEW YORK GROUP TRUST	BALDELLI SONIA	16.209	16.209
115	COLLEGE RETIREMENT EQUITIES FUND	BALDELLI SONIA	145.349	145.349
34	EASTSPRING INVESTMENTS	BALDELLI SONIA	6.453	6.453
177	FCP BNP EASY LOW CARBON100 EUROPE	BALDELLI SONIA	2.972	2.972
179	FCP ERAFP ACT IND11	BALDELLI SONIA	355.481	355.481
176	FCP REGARD SEL.ACT EURO.	BALDELLI SONIA	69.540	69.540
172	FIDELITY SAL ST T SPARTAN TOTAL INT IN F	BALDELLI SONIA	608	608
185	FLEXSHARES MORNINGSTAR DEVELOPED MARKETS EX-US FACTOR T	BALDELLI SONIA	2.145	2.145
127	FORD MOTOR COMPANY DEFINED BENEFIT MASTER TRUST	BALDELLI SONIA	4.697	4.697
143	FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	BALDELLI SONIA	132	132
164	GAIKOKUKABU SUB FUND 1 LP	BALDELLI SONIA	3.481	3.481
42	GLOBAL INFRASTRUCTURE EQUITY FUND LONDON CAPITAL	BALDELLI SONIA	3.192	3.192
37	GLOBAL MANAGED VOLATILITY FUND	BALDELLI SONIA	5.134	5.134
23	GOVERNMENT OF NORWAY	BALDELLI SONIA	2.230.460	2.230.460
68	GOVERNMENT OF THE REPUBLIC OF SINGAPORE	BALDELLI SONIA	1.823	1.823
67	HOME AFFAIRS UNIFORMED SERVICES (INVEST FUND)	BALDELLI SONIA	1.850	1.850

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUARY 2017

Ansaldo STS A Hitachi Group Company

### Result on the vote on item **3** of the ordinary part of the agenda

#### Appointment of the new Director. Resolutions pertaining thereto and/or resulting therefrom

113	IBM 401K PLUS PLAN	BALDELLI SONIA	18.433	18.433
49	INTERNATIONAL MONETARY FUND	BALDELLI SONIA	1.556	1.556
50	INTERNATIONAL MONETARY FUND	BALDELLI SONIA	7.838	7.838
105	ISHARES CORE MSCI EAFE ETF	BALDELLI SONIA	132.237	132.237
107	ISHARES CORE MSCI EAFE IMI INDEX ETF	BALDELLI SONIA	4.379	4.379
109	ISHARES CORE MSCI EUROPE ETF	BALDELLI SONIA	26.738	26.738
106	ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	BALDELLI SONIA	30.484	30.484
102	ISHARES MSCI EAFE SMALL CAP ETF	BALDELLI SONIA	392.084	392.084
108	ISHARES MSCI EUROPE IMI INDEX ETF	BALDELLI SONIA	2.084	2.084
103	ISHARES MSCI EUROPE SMALL-CAP ETF	BALDELLI SONIA	7.513	7.513
121	ISHARES VII PLC	BALDELLI SONIA	105.648	105.648
148	Illinois State Board of Investment	BALDELLI SONIA	9.569	9.569
181	JPMORGAN FUNDS	BALDELLI SONIA	47.800	47.800
60	LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF	BALDELLI SONIA	5.168	5.168
33	LBPAM RESPONSABLE ACTIONS ENVT	BALDELLI SONIA	146.016	146.016
21	LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST	BALDELLI SONIA	2.580	2.580
22	LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	BALDELLI SONIA	11.716	11.716
26	LITESPEED MANAGEMENT LLC LITESPEED MASTER FUND LTD	BALDELLI SONIA	7.903.597	7.903.597
41	LONDON LIFE INSURANCE COMPANY .	BALDELLI SONIA	345.145	345.145
137	LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	BALDELLI SONIA	13.093	13.093
43	MACKENZIE DIVERSIFIED ALTERNATIVES FUND	BALDELLI SONIA	5.164	5.164
61	MARYLAND STATE RETIREMENT & PENSION SYSTEM	BALDELLI SONIA	1.062	1.062
52	MERCER DIOCESE OF BROOKLYN LAY PENSION INVESTMENT TRUST	BALDELLI SONIA	2.040	2.040
144	MICHELIN NORTH AMERICA (CANADA) INC. MASTER TRUST	BALDELLI SONIA	5.319	5.319
139	MICHELIN NORTH AMERICA INC. MASTER RETIREMENT TRUST	BALDELLI SONIA	16.130	16.130
59	MM SELECT EQUITY ASSET FUND	BALDELLI SONIA	1.515	1.515
119	MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	BALDELLI SONIA	30.521	30.521
147	MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO	BALDELLI SONIA	7.537	7.537
180	Mercer Unhedged Overseas Shares Trust	BALDELLI SONIA	6.752	6.752
132	NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P.R.C	BALDELLI SONIA	10.341	10.341
188	NATIONWIDE SMALL CAP INDEX FUND	BALDELLI SONIA	5.827	5.827
196	NEW MEXICO STATE INVESTMENT COUNCIL	BALDELLI SONIA	2.248	2.248
197	NEW MEXICO STATE INVESTMENT COUNCIL	BALDELLI SONIA	3.797	3.797
133	NEW ZEALAND SUPERANNUATION FUND	BALDELLI SONIA	3.389	3.389
134	NEW ZEALAND SUPERANNUATION FUND	BALDELLI SONIA	7.050	7.050
135	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	BALDELLI SONIA	66.958	66.958
140	NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	BALDELLI SONIA	26.596	26.596
131	NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLI	BALDELLI SONIA	3.285	3.285
66	OMERS ADMINISTRATION CORPORATION	BALDELLI SONIA	6.905	6.905
182	ONEPATH GLOBAL SHARES - SMALL CAP INDEX	BALDELLI SONIA	6.904	6.904
146	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	BALDELLI SONIA	18.026	18.026
193	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	BALDELLI SONIA	10.439	10.439
194	PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO	BALDELLI SONIA	25.970	25.970
198	SAND GROVE OPPORTUNITIES MASTER FUND LTD	BALDELLI SONIA	17.317	17.317

# ORDINARY SHAREHOLDERS' MEETING

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Ansaldo STS A Hitachi Group Company

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#### Appointment of the new Director. Resolutions pertaining thereto and/or resulting therefrom

168	SCHWAB FUNDAM INTER SMALL- COMP INDEX FD	BALDELLI SONIA	15.107	15.107
48	SCHWAB FUNDAMENTAL INTERNATIONAL SMALL COMPANY ETF	BALDELLI SONIA	24.510	24.510
47	SCHWAB INTERNATIONAL SMALL-CAP EQUITY ETF	BALDELLI SONIA	58.816	58.816
163	SEI GLOBAL ASSETS FUND PLC	BALDELLI SONIA	9.051	9.051
173	SEI INSTITUTIONAL MANAGED TRUST-TAX-MANAGED INTERNATIONAL	BALDELLI SONIA	23.482	23.482
116	SPDR S+P INTERNATIONAL INDUSTRIAL SECTOR ETF	BALDELLI SONIA	3.940	3.940
99	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMEN	BALDELLI SONIA	1.895	1.895
100	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMEN	BALDELLI SONIA	100.291	100.291
118	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMEN	BALDELLI SONIA	19.958	19.958
120	SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMEN	BALDELLI SONIA	54.514	54.514
98	SSGA RUSSELL FD GL EX-US INDEX NONLENDING QP COMMON TRUST	BALDELLI SONIA	1.033	1.033
69	SSGA SPDR ETFs EUROPE II PUBLIC LIMITED COMPANY	BALDELLI SONIA	8.981	8.981
70	SSGA SPDR ETFs EUROPE II PUBLIC LIMITED COMPANY	BALDELLI SONIA	1.072	1.072
71	SSGA SPDR ETFs EUROPE II PUBLIC LIMITED COMPANY	BALDELLI SONIA	9.111	9.111
72	SSGA SPDR ETFs EUROPE II PUBLIC LIMITED COMPANY	BALDELLI SONIA	330	330
114	STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	BALDELLI SONIA	3.495	3.495
32	STG PFDS V.D. GRAFISCHE	BALDELLI SONIA	36.631	36.631
145	STICHTING PENSIOENFONDS APF	BALDELLI SONIA	2.611	2.611
187	STICHTING PENSIOENFONDS VOOR HUISARTSEN	BALDELLI SONIA	7.250	7.250
123	STICHTING PHILIPS PENSIOENFONDS	BALDELLI SONIA	14.946	14.946
128	STP NUCLEAR OPERATING COMPANY RETIREMENT TRUST	BALDELLI SONIA	3.253	3.253
125	SUNSUPER SUPERANNUATION FUND	BALDELLI SONIA	4.230	4.230
44	SYMMETRY COMPREHENSIVE EQUITY FUND	BALDELLI SONIA	106.009	106.009
136	TEXAS SCOTTISH RITE HOSPITAL FOR CRIPPLED CHILDREN	BALDELLI SONIA	5.272	5.272
38	THE CANADA LIFE ASSURANCE COMPANY	BALDELLI SONIA	37.299	37.299
40	THE GREAT-WEST LIFE ASSURANCE COMPANY	BALDELLI SONIA	29.888	29.888
53	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	BALDELLI SONIA	461	461
54	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	BALDELLI SONIA	31	31
55	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	BALDELLI SONIA	12	12
195	TRUST AND CUSTODY SERVICED BANK LIMITED	BALDELLI SONIA	2.261	2.261
45	U.S. AND INTERNATIONAL SPECIALTY CLASS	BALDELLI SONIA	2.574	2.574
57	UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	1.487	1.487
76	UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	8.350	8.350
77	UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	3.924	3.924
78	UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	3.758	3.758
79	UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	11.343	11.343
80	UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	6.040	6.040
81	UAW RETIREE MEDICAL BENEFITS TRUST	BALDELLI SONIA	6.749	6.749
183	UBS (US) GROUP TRUST	BALDELLI SONIA	4.003	4.003
101	UBS ETF	BALDELLI SONIA	6.038	6.038
24	UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	BALDELLI SONIA	20.005	20.005
141	UTAH STATE RETIREMENT SYSTEMS	BALDELLI SONIA	5.208	5.208
142	UTAH STATE RETIREMENT SYSTEMS	BALDELLI SONIA	5.487	5.487
84	VANGUARD DEVEL ALL-CAP EX NORTH AMERICA EQT IND POOLED FUI	BALDELLI SONIA	154	154

# ORDINARY SHAREHOLDERS' MEETING

## 19 JANUARY 2017

Ansaldo STS A Hitachi Group Company

**Result on the vote on item 3  
of the ordinary part of the agenda**

### **Appointment of the new Director. Resolutions pertaining thereto and/or resulting therefrom**

167	VANGUARD DEVELOPED MARKETS INDEX FUND	BALDELLI SONIA	411.701	411.701
166	VANGUARD EUROPEAN STOCK INDEX FUND	BALDELLI SONIA	186.438	186.438
170	VANGUARD FTSE ALL-WORLD EX-US SMALL CAP INDEX FUND	BALDELLI SONIA	161.640	161.640
83	VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ET	BALDELLI SONIA	615	615
82	VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	BALDELLI SONIA	831	831
184	VANGUARD INTERNATIONAL SMALL COMPANIES I	BALDELLI SONIA	3.244	3.244
124	VANGUARD INV FUNDS ICVC-VANGUARD FTSE GLOB ALL CAP IND FUN	BALDELLI SONIA	102	102
171	VANGUARD INVESTMENT SERIES PLC	BALDELLI SONIA	19.027	19.027
186	VANGUARD TOTAL INTERNATIONAL STOCK INDEX	BALDELLI SONIA	1.150.369	1.150.369
169	VANGUARD TOTAL WORLD STOCK INDEX FUND	BALDELLI SONIA	39.078	39.078
89	WASHINGTON STATE INVESTMENT BOARD	BALDELLI SONIA	57.475	57.475
90	WASHINGTON STATE INVESTMENT BOARD	BALDELLI SONIA	4.560	4.560
85	WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TI	BALDELLI SONIA	7.638	7.638
86	WELLS FARGOMASTER TRUST DIVERSIFIED STOCK PORTFOLIO	BALDELLI SONIA	4.371	4.371
189	WEST YORKSHIRE PENSION FUND	BALDELLI SONIA	141.164	141.164
129	WHEELS COMMON INVESTMENT FUND	BALDELLI SONIA	4.969	4.969
91	WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	BALDELLI SONIA	23.130	23.130
92	WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL SMALLCAP	BALDELLI SONIA	168	168
97	WISDOMTREE EUROPE HEDGED EQUITY INDEX ETF	BALDELLI SONIA	414	414
96	WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	BALDELLI SONIA	40.519	40.519
95	WISDOMTREE EUROPE LOCAL RECOVERY FUND	BALDELLI SONIA	886	886
94	WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND	BALDELLI SONIA	123	123
93	WISDOMTREE INTERNATIONAL SMALLCAP DIVIDEND FUND	BALDELLI SONIA	131.531	131.531
87	WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	BALDELLI SONIA	3.737	3.737
88	WISDOMTREE ISSUER PUBLIC LIMITED COMPANY	BALDELLI SONIA	257	257
174	WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARC	BALDELLI SONIA	783	783

#### Overview of non-voters

<b>TOTAL NON-VOTERS</b>	n°	<b>153 shareholders for n°</b>	<b>16.087.589 Shares</b>
of which			9,49 % of participant capital
<b>IN PERSON</b>	n°	<b>0 shareholders for n°</b>	<b>0 Shares</b>
			0,00 % of participant capital
<b>BY PROXY</b>	n°	<b>153 shareholders for n°</b>	<b>16.087.589 Shares</b>
			9,49 % of participant capital