Ansaldo STS A Hitachi Group Company

REPORT OF THE BOARD OF DIRECTORS ON REMUNERATION

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

24 March 2017

GLOSSARY

Ansaldo STS	Ansaldo STS S.p.A.
Corporate Governance Code, or Code	The Corporate Governance Code for listed companies, updated as last in July 2015 by the Corporate Governance Committee and established by Borsa Italiana S.p.A., ABI (the Italian Banking Association), Ania, Assonime, Confindustria and Assogestioni.
Nomination and Remuneration Committee, or Committee	The Nomination and Remuneration Committee established by Ansaldo STS pursuant to the Code.
Board	The Board of Directors of Ansaldo STS
Managers with Strategic Responsibilities	The managers indicated by Article 65, paragraph 1-*quater*, of the Issuers Regulation, as identified by the Board of Directors.
Group	Ansaldo STS and its subsidiaries pursuant to Articles 93 of the Consolidation Act on Finance (TUF)
Market Regulations Instructions	The Instructions accompanying the Market Regulations organized and managed by Borsa Italiana S.p.A.
Remuneration Policy, or Policy	The Remuneration Policy for financial year 2017, approved by the Board of Directors and described in Section 1 of this Report.
Committee Rules	The Rules of the Nomination and Remuneration Committee.
Issuers Regulation	The Regulation issued by Consob by resolution no. 11971 of 14 May 1999 concerning issuers, as subsequently amended and supplemented.
Report	This remuneration report, prepared pursuant to articles 123-*ter* of the Consolidation Act on Finance (TUF) and 84-*quater* of the Issuers Regulation, approved by Ansaldo STS' Board of Directors on 24 March 2017 and subsequently updated.
Company	Ansaldo STS S.p.A.
TUF	The Italian Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented.

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SECTION I: REMUNERATION POLICY FOR THE FINANCIAL YEAR 2017

A) Bodies or people involved in preparing and approving the Remuneration Policy; with roles, bodies and people in charge of correctly implementing such policy

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

The Remuneration Policy for the financial year 2017, as described in this section of the Report, is submitted for a non-binding resolution of the General Meeting, called pursuant to Article 2364 paragraph 2 of the Italian Civil Code.

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

B) Action of the Nomination and Remuneration Committee, composition, tasks and operating procedures of this Committee

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

The members of the Nomination and Remuneration Committee appointed by the Board of Directors on 16 May 2016 were the independent directors Ms Katharine Painter (Chairman), Mr Alberto de Benedictis and Mr Mario Garraffo.

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

- submit proposals to the Board of Directors on the remuneration policy for directors and Managers with Strategic Responsibilities, if any;
- make periodical evaluations of the adequacy, overall consistency and actual implementation of the remuneration policy mentioned in the preceding item, making use of the information provided by the Chief Executive Officer as concerns Managers with Strategic Responsibilities, and submit proposals on this matter to the Board of Directors, where appropriate;
- submit proposals or give opinions to the Board of Directors on the remuneration of executive

directors and of any other directors holding particular offices as well as on the performance targets linked to the variable part of such remuneration, monitoring the implementation of the decisions taken by the same Board and verifying the actual achievement of the performance targets;

- evaluate the proposals of the Chief Executive Officer relevant to the general remuneration and incentive policy, as well as to the management development systems and plans, for the key resources of the Group and the directors vested with powers of the Group companies;
- assist the Company top management in defining the best policy for handling the managerial resources of the Group;
- propose share-based remuneration plans in favour of Directors and Managers of the Company and of the other Group companies and the relevant implementing regulations, carrying out the tasks reserved to it for the management of the plans adopted by the Company case by case;
- report to the Company's shareholders on the way in which it carries out its duties.

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

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

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

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

D) Aims of the Remuneration Policy, underlying principles and changes in such policy, if any, from the financial year 2016

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

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

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

the top professionals of the Group.

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

Compared to the Remuneration Policy for the financial year 2016, which was approved by the Board of Directors on 25 February 2016 and submitted to the resolution of the Shareholders on 13 May 2016 – called to give its non-binding advice on the first part of the Report wherein details on such Policy were provided, the Remuneration Policy for the financial year 2017 has remained substantially unchanged.

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

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

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

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

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

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

In line with the above, the Remuneration Policy states that the remuneration should consist of[1]:

- a fixed component consisting:
    a. for the Chief Executive Officer and General Manager:
        i. of the fee approved by the ordinary General Meeting upon appointment for the office of member of the Board of Directors; and
        ii. of the fee approved by the Board of Directors on a proposal of the Nomination and Remuneration Committee, after hearing the opinion of the Board of Statutory Auditors, received as Chief Executive Officer; and
        iii. of the fee approved by the Board of Directors on a proposal of the Nomination and Remuneration Committee, for the office of General Manager;
    b. for non-executive Directors, of the fee approved by the ordinary General Meeting upon appointment for the office of member of the Board of Directors; and
    c. for Managers with Strategic Responsibilities, of the annual fixed gross remuneration under the individual contract signed by the Managers with Strategic Responsibilities, in compliance with the provisions of the applicable collective bargaining regulations;
- a variable component, both for the Chief Executive Officer and General Manager and for the Managers with Strategic Responsibilities consisting:

a) of a short-term variable incentive instrument, subject to the achievement of performance targets predefined on an annual basis (known as *Management by Objectives* or "**MBO**"), both of corporate nature (such as the *Earning Before Interests and Taxes* – EBIT, the *Free Operating Cash Flow* – FOCF and the *Economic Value Added* – EVA)**,** and of individual nature, depending on the office held (such as the value of the orders acquired, the achievement of certain values of the sector-specific EBIT and the achievement of certain structural costs, or specific quantity-quality targets).

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

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

incentive be paid;

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

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

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

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

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

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

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

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

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

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

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

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

(i) at least 50% of the shares that may be allocated under the plan accrue on achievement of the targets of the last year;

(ii) as regards each of the targets, there are : *(i)* mechanisms for the recovery of any underperformance registered in previous years, as well as *(ii)* mechanisms for carrying over, to subsequent years, any over-performance registered in previous years;

(iii) with regard to the achievement of each target, a tolerance threshold may be indicated on occasion of the annual final balance, for the failed achievement of 100% of the relevant target, but not to exceed 2.5%, thus allowing the accrual to the beneficiary of a corresponding proportion of the shares owed under the plan.

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

The Remuneration Policy also provides for a lock-up clause to be established at the end of the vesting period mentioned above for the Chief Executive Officer, the General Manager and the Managers with Strategic Responsibilities, on a significant portion of the shares allocated, to be identified under the responsibility of the Board of Directors, on a proposal of the Nomination and Remuneration Committee, for a period of two years in relation to the 20% accrued stock.

F) Non-monetary benefits policy

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

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

See letter E).

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

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

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

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

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

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

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

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

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

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

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

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

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

As indicated under letter *E),* the Remuneration Policy states that, with regard to the Chief Executive Officer and the General Manager and the Managers with Strategic Responsibilities, the SGPs must provide for a lock-up clause on a significant portion of the shares allocated, to be identified by the Board of Directors, on a proposal of the Nomination and Remuneration Committee, for a period of two years. The duration of such lock-up period, which, as said above, starts after the end of the three-year vesting period, meets the need to align the interests of the top management of the Company with those of the shareholders over the medium-long period.

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

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

Except for voluntary resignation from office and/or from the employment without just cause, or termination and/or dismissal for just cause, the Board of Directors - after consulting with the

Nomination and Remuneration Committee and the Board of Statutory Auditors – may execute with the Chief Executive Officer and/or General Manager agreements aimed at regulating ongoing relationships, that grant the Chief Executive Officer and/or General Manager an indemnity for termination or non-renewal of office; this indemnity may not exceed 24 months' total remuneration for the offices and/or relationships that are ongoing when the termination occurs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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SECTION II – FEES RECEIVED IN 2016 BY THE MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS, AS WELL AS BY THE GENERAL MANAGER AND THE MANAGERS WITH STRATEGIC RESPONSIBILITIES

With reference to the 2016 financial year, this section of the Report illustrates: (i) name by name, the fees owed to the persons who, during the course of such financial year, have held the office of Director, Statutory Auditor and/or General Manager even for a fraction of such financial year, as well as (ii) the aggregate fees owed to Managers with Strategic Responsibilities.

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PART ONE – ITEMS COMPRISING THE REMUNERATION

In this part of Section II, an adequate representation is provided for each item comprising the 2016 remuneration for people who have held the office of Member of the Board of Directors, Member of the Board of Statutory Auditors, General Manager, or Manager with Strategic Responsibilities for the financial year 2016.

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

1.1 Board of Directors

On the date of the Report, the Company's Board of Directors comprised Mr Alistair Dormer (Chairman), Mr Andrew Barr (Chief Executive Officer and General Manager), Mr Alberto De Benedictis (Deputy Chairman), Mr Michele Alberto Fabiano Crisostomo (Independent Director), Ms Rosa Cipriotti (Independent Director), Mr Mario Garraffo (Independent Director), Mr Fabio Labruna (Independent Director), Ms Katherine Mingay (Non-Executive Director) and Ms Katharine Painter (Independent Director).

1.1.1 Chief Executive Officer and General Manager

In 2016, the office of Chief Executive Officer and General Manager of the Board of Directors was held:

- by Mr Stefano Siragusa from 1 January 2016 until 13 May 2016, who held office since 1 January 2014 and who was confirmed by the Board of Directors on 3 November 2015 after the General Meeting had approved the renewal of the company officers on 2 November 2015. It is to be noted that on 30 March 2016, Mr Stefano Siragusa resigned from his offices in Ansaldo STS S.p.A. with effect from the date of the appointment of the new Board of Directors by the first General Meeting called (13 May 2016);

- by Mr Andrew Barr, appointed as Managing Director and General Manager by the Board of Directors held on 24 May 2016 who was also appointed Director of the Company by the above referred to General Meeting of 13 May 2016.

A description follows of each of the items comprising Mr Siragusa's remuneration from 1 January 2016 to 13 May 2016.

- Fixed component, consisting of:
    - A fee of EUR 50,000.00 for the office of member of the Board of Directors resolved by the General Meeting held on 2 November 2015 for the period commencing on 2 November 2015; please note that effective fee received for the period in which he was in charge has been equivalent to Euro 18,413.00;
    - a fee of EUR 30,000.00, for the office of Chief Executive Officer , pursuant to Article 2389, third paragraph, of the Italian Civil Code - approved by the Board of Directors on 3 November 2015, as proposed by the Nomination and Remuneration Committee after having heard the opinion of the Board of Statutory Auditors - for the period commencing on 2 November 2015; please note that effective fee received for the period in which he was in charge has been equivalent to Euro 11,049.00;
    - a fee for the office of General Manager amounting to EUR 320,000.00, approved by the Board of Directors meeting held on 3 November 2015, as proposed by the Nomination and Remuneration Committee; please note that effective fee received for the period in which he was in charge has been equivalent to Euro 108,876.00;
    - a fee of EUR 100,000.00 which is specific consideration for the non-competition covenant described below in paragraph 1.4; please note that effective fee received for the period in which he was in charge has been equivalent to Euro 33,333.00;
- Non-monetary benefits: corporate car, insurance and social-security coverage under the national collective bargaining agreement applied to the category, as well as use of accommodation, for a value of Euro 27,534.00.

- Variable component: following Mr Siragusa's resignation on 30 March 2016, the latter waived payment of the variable components arising in term of the variable incentive plans.

Reference is to be made to paragraph 1.4 below with respect to employment severance payable to the Chief Executive Officer and General Manager upon resignation handed in by the latter on 30 March 2016 and Mr Siragusa's waiver by of payment of the variable remuneration components.

The following is a description of each item making up Mr Andrew Barr's remuneration during the financial year 2016.

- Fixed component, consisting of:
  - A fee of EUR 50,000.00 for the office of member of the Board of Directors resolved by the General Meeting held on 13 May 2016; please note that effective fee received for the period in which he was in charge has been equivalent to EUR 30,242.00;
  - a fee of EUR 30,000.00, for the office of Chief Executive Officer, pursuant to Article 2389, third paragraph, of the Italian Civil Code - approved by the Board of Directors on 24 May 2016, as proposed by the Nomination and Remuneration Committee after having heard the opinion of the Board of Statutory Auditors - for the period commencing on 24 May 2016; please note that the effective fee received for the period in which he was in charge has been equivalent to EUR 18,145.00;
  - a fee for the office of General Manager amounting to EUR 320,000.00 - approved by the Board of Directors on 24 May 2016, as proposed by the Nomination and Remuneration Committee - for the period commencing on 24 May 2016; please note that effective fee received for the period in which he was in charge has been equivalent to EUR 189,191.00;
  - a fee of EUR 150,000.00 which will be paid at the end of the employment relationship and which is specific consideration for the non-competition covenant described below in paragraph 1.4.
- Non-monetary benefits: corporate car, insurance and social-security coverage under the national collective bargaining agreement applied to the category, as well as use of accommodation, for a value of EUR 9,175.00.
- Variable component: during financial year 2016 Mr Barr benefitted from the following plans:

- One year MBO plan for 2016 subject to achievement by end of the financial year 2016 of the following performance targets: EBIT, FOCF, EVA as well as specific quantitative and qualitative targets. Achievement of such targets was verified after approval of the draft Financial Statements and the Consolidated Financial Statements for the financial year 2016. The incentive matured equal to EUR 79,147.00 will be paid during the financial year 2017.

- The LTIP plan 2014-2016, requires that the following performance targets be achieved in each year: (i) Net Result as access threshold; (ii) Revenue and Cash Assets. With respect to the portion of incentive referring to the financial year 2016, achievement of targets was verified on the basis of the draft Financial Statements and Consolidated Financial Statements for the financial year 2016, approved by the Board of Directors. Please note that the incentive for the financial year 2016 on the basis of LTIP plan 2014-2016 will not be paid since the access threshold was not reached;
- The LTIP plan 2015-2017: requires that the following performance targets be achieved for each financial year: (i) Net Result as access threshold; (ii) two annual performance targets chosen from the main economic- financial indicators (Net Invested Capital and ROS); with respect to the portion of incentive referring to the financial year 2016 the achievement of the targets was verified on the basis of the draft Financial Statements and Consolidated Financial Statements for the financial year 2016, approved by the Board of Directors. The incentive mature equal to EUR 30,767.00 will be made up during 2018;
- The LTIP plan for 2016-2018, requires that the following performance targets be achieved in each year: (i) Net Result as access threshold; (ii) two annual performance targets chosen from the main economic - financial indicators (Orders and Net Working Capital). For the portion of the incentive referring to the financial year 2016, the achievement of the targets was verified on the basis of the draft Financial Statements and Consolidated Financial Statements for the financial year 2016, approved by the Board of Directors. Since the access threshold has not been reached with reference to the financial year 2016, no incentive will be paid even if the access threshold of Net Result was achieved, Orders and Net Working Capital targets were not reached.
- Plan for the free allocation of shares 2014-2016 (SGP 2014-2016) requires that the performance targets indicated in the "*Informative document pursuant to article 84-bis sub article 1, of the Regulations adopted by Consob with Resolution no. 11971 of 14 May 1999 as subsequently modified and supplemented, in relation to Ansaldo STS. S.p.A*" stock grants available at web address http://www.ansaldo-sts.com;

With reference to the financial year 2016, the Board of Directors meeting held on 24 May set at EUR 16,265 the maximum number of shares that may be allocated to Mr Barr under that plan. The achievement of the targets was verified on the basis of the draft

Financial Statements and Consolidated Financial Statements for the financial year 2016 approved by the Board of Directors. The shares accrued with reference to the financial year 2016 were 15,370 and they will be allocated in the financial year 2019. The SGP for 2014-2016 also provides for a two-year lock-up period with respect to 20% of the shares assigned after the tree – year vesting period.

1.1.2. Chairman of the Board of Directors

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

During the financial year 2016, the office as Chairman of the Board of Directors was held

- by the Director Alistair Dormer, appointed as Chairman of the Board of Directors by the General Meeting held on 2 November 2015 and subsequently confirmed in this post during the General Meeting of 13 May 2016.

For the year 2016:

- Mr Alistair Dormer, received remuneration *pro rata temporis* for the position of Chairman of the Board of Directors amounting to EUR 75,000.00, as approved by the General Meeting on 13 May 2016.

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

1.1.3 Vice Chairman of the Board of Directors

In 2016, the office of Vice Chairman of Ansaldo STS was held:

- From 1 January 2016 to 13 May 2016 by the Director Karen Boswell, appointed as Vice Chairman of the Board of Directors held on 25 November 2015 in replacement of Mr Ryoichi Hirayangi. Please note that on 30 March 2016, Ms Karen Boswell resigned from her offices in Ansaldo STS S.p.A. with effect from the appointment of the new Board of Directors by the first General Meeting held (13 May 2016);
- From 16 May 2016 to 21 October 2016 by Director Katherine Mingay, appointed as Vice Chairman by the Board of Directors held on 16 May 2016, who resigned on 21 October 2016 with immediate effect;
- From 28 October 2016 by Mr Alberto De Benedictis, appointed as Vice Chairman by the Board of Directors held on 28 October 2016;

For the financial year 2016, on the basis of an annual fee of EUR 50,000.00, as member of the Board of Directors:

- Vice Chairman of the Board of Directors, Ms Karen Boswell received a pro rata fee of EUR 18,306.00 as remuneration for the office of member of the Board of Directors, as resolved by the General Meeting on 23 April 2015;

- Vice Chairman Ms Katherine Mingay received a pro rata remuneration for the position of member of the Board of Directors amounting to EUR 31,694.00, as resolved by the General Meeting held on 13 May 2016;
- Vice Chairman Mr Alberto de Benedictis received a pro rata remuneration for the position of member of the Board of Directors amounting to EUR 31,694.00, as resolved by the General Meeting held on 13 May 2016.

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

1.1.4 Other members of the Board of Directors

During the financial year 2016, the following Directors were members of the Board of Directors, apart from the Directors Stefano Siragusa, Andrew Barr, Alistair Dormer, Karen Boswell, Katherine Mingay and Alberto de Benedictis:

1) For the period from 1 January 2016 to 13 May 2016:

- Paola Gianotti, appointed by General Meeting, held on 2 November 2015;
- Giovanni Cavallini, Giulio Gallazzi and Bruno Pavesi, who had already been members of the previous Board of Directors, were confirmed by the General Meeting held on 2 November 2015;
- Alessandra Piccinino, who was appointed, pursuant to Article 2386 of the Italian Civil Code, by Board of Directors Meeting held on 9 November 2015, in order to replace the director Barbara Poggiali;
- Mario Garraffo, who was appointed, pursuant to Article 2386 of the Italian Civil Code, by the meeting of the Board of Directors held on 25 November 2015, replacing the Director Ryoichi Hirayanagi.

2) For the period from 13 May 2016 to 31 December 2016:

- Giuseppe Bivona, Rosa Cipriotti, Fabio Labruna and Katharine Painter, as resolved by the General Meeting held on 13 May 2016;
- Mario Garraffo, already member of the Board of Directors and confirmed by the General Meeting held on 13 May 2016.

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

For the financial year 2016, on a fixed fee set at Euro 50,000.00:

- To Giovanni Cavallini, Giulio Gallazzi and Bruno Pavesi each received a *pro rate* fee the office of member of the Board of Directors amounting to EUR 18,306.00 as resolved by the General Meetings held on 2 November 2015;

- To Paola Giannotti each received a *pro rate* fee the office of member of the Board of Directors amounting to EUR 18,306.00 as resolved by the General Meetings held on 2 November 2015;
- To Alessandra Piccinino and Mario Garraffo received a fee on a *pro rata* basis for the position of member of the Board of Directors, amounting respectively to to EUR 18,306 and Euro 50,000.00, as approved by the General Meeting held on 2 November 2015 and with respect to Mario Garraffo confirmed by General Meeting of 13 May 2016;
- To Giuseppe Bivona, Rosa Cipriotti, Fabio Labruna and Katharine Painter received a fee on a pro rata basis for the position of member of the Board of Directors, amounting, to EUR 31,694.00 as approved by the General Meeting held on 13 May 2016.

1.1.5 Members of Internal Committees of the Board of Directors

The members of the Control and Risk Committee and the Nomination and Remuneration Committee receive an additional fee defined, in a fixed amount, by the Board of Directors. Please note that the Board of Directors meeting held on 28 October 2016 resolved to set up and Executive Committee made up of the Chairman Alistair Dormer, the Chief Executive Officer Andrew Barr and the Director Katherine Jane Mingay. Please note also that no remuneration is payable for membership in the above referred to Committee.

During the financial year 2016, the Control and Risk Committee was composed of the following members of the Board of Directors:

- From 1 ° January 2016 to 13 May 2016: Giovanni Cavallini (Chairman), Paola Giannotti and Bruno Pavesi, whose annual fee was determined by the Board of Directors Meeting held on 9 November 2015 in EUR 30,000.00 for the Chairman, and EUR 25,000.00 for the other members of the Committee;
- From 16 May 2016 to 31 December 2016, Alberto de Benedictis (Chairman), Mario Garaffo and Katharine Painter, whose annual remuneration had been determined by the Board of Directors Meeting held on 16 May 2016 in EUR 30,000.00 for the Chairman and EUR 25,000.00 for the other members of the Committee.

Based on the above, set out below is the remuneration received by the aforesaid Directors for participating in the Control and Risk Committee during the financial year 2016:

- Giovanni Cavallini: EUR 10,984.00;
- Paola Giannotti: EUR 9,153.00;
- Bruno Pavesi: EUR 9,153.00
- Alberto de Benedictis: EUR 19,016.00;

- Mario Garraffo: EUR 15,847.00;
- Katharine Painter: EUR 15,847.00.

During the financial year 2016, the Nomination and Remuneration Committee was composed of the following members of the Board of Directors:

- From 1 January 2016 to 13 May 2016:Giulio Gallazzi (Chairman), Bruno Pavesi and Alessandra Piccinino, whose annual remuneration was determined by the Board of Directors Meeting held on 9 November 2015 in EUR 20,000.00 for the Chairman and EUR 15,000.00 for the other members of the Committee.
- From 16 May 2016 to 31 December 2016: Katherine Painter (Chairman), Alberto de Benedictis and Mario Garraffo whose annual remuneration was determined by the Board of Directors of 16 May 2016 in Euro 20,000.00 for the Chairman and 15,000.00 for the other members of the Committee.

Based on the above, set out below is the remuneration received by the aforesaid Directors for participating in the Nomination and Remuneration Committee during the financial year 2016:

- Giulio Gallazzi: EUR 7,322.00
- Bruno Pavesi: Euro 5,492.00;
- Alessandra Piccinino: EUR 5,492.00
- Katharine Painter: EUR 12.678.00
- Alberto de Benedictis: EUR 9,509.00
- Mario Garraffo: EUR 9,508.00.

1.2 Board of Statutory Auditors

During the financial year 2016, the Board of Statutory Auditors was composed of the following statutory auditors: Giacinto Sarubbi (Chairman), Renato Righetti and Maria Enrica Spinardi, whose annual remuneration was approved by the General Meeting held on 15 April 2014 and amounted to:

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

1.3 Managers with Strategic Responsibilities

During the financial year 2013, the Company identified as Managers with Strategic Responsibilities the *Business Signalling* unit manager (a position which was covered at such time by Emmanuel Viollet, who is no longer employed by the Group Ansaldo STS), the *Business Transportation Solutions* unit manager (position held on an interim basis by Sergio De Luca until 31

December 2013) and the *Standard Product & Platform* unit manager (Giuseppe Gaudiello).

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

Please note that the fees indicated for the Managers with Strategic Responsibilities are the aggregate, inasmuch as, during the financial year 2016, none of the Managers with Strategic Responsibilities received annual total fees of more than the highest annual total fee received by members of the Board of Directors and of the Board of Statutory Auditors.

Below there is a description of each of the items that comprised the remuneration of the Managers with Strategic Responsibilities during the financial year 2016.

- Fixed component comprising the annual fixed gross remuneration, under the individual agreement signed by the Managers with Strategic Responsibilities, in compliance with the provisions of the applicable collective bargaining regulations, for a total amount of EUR 660,467.00.
- Non-monetary benefits: corporate car, insurance and social-security coverage under the national collective bargaining agreement applied to the category, amounting to a total of EUR 97,053.00.
- Variable component: a significant part of the remuneration of Managers with Strategic Responsibilities is linked to reaching specific company performance targets. More specifically, during the financial year 2016, Managers with Strategic Responsibilities, who were in office, received the remuneration set out below:

− One year MBO plan for 2016 subject to achievement by end 2016 of the following performance targets: EBIT, FOCF, EVA as well as specific quantitative and qualitative targets. Achievement of such targets was verified in occasion of the approval of the draft Financial Statements and the Consolidated Financial Statements for the financial year 2016. The incentive matured equal to EUR 371,705.00 will be paid during the financial year 2017.

− The LTIP plan 2014-2016, requires that the following performance targets be achieved in each financial year: (i) Net Result as access threshold; (ii) Revenue and Cash Assets. With respect to the portion of incentive referring to the financial year 2016, the achievement of targets was verified on the basis of the draft financial statements and consolidated financial statements for the financial year 2016, approved by the Board of Directors. It is to be noted that the incentive for the financial year 2016 on the basis of LTIP plan 2014-2016 will not be paid since the access threshold was not reached.

- The LTIP plan 2015-2017: requires that the following performance targets be achieved for each financial year: (i) Net Result as access threshold; (ii) two annual performance targets chosen from the main economic- financial indicators (Net Invested Capital and ROS); with respect to the portion of incentive referring to the financial year 2016 the achievement of the targets was verified on the basis of the draft Financial Statements and Consolidated Financial Statements for the financial year 2016, approved by the Board of Directors. The incentive mature equal to EUR 162,566.00 will be paid during the financial year 2018.
- The LTIP plan for 2016-2018, requires that the following performance targets be achieved in each financial year: (i) Net Result as access threshold; (ii) two annual performance targets chosen from the main economic- financial indicators (Orders and Net Working Capital). For the portion of the incentive referring to the financial year 2016, the achievement of the targets was verified on the basis of the draft Financial Statements and Consolidated Financial Statements for the financial year 2016, approved by the Board of Directors. It is to be noted that. Since the access threshold has not been reached with reference to the financial year 2016, no incentive will be paid even if the access threshold of Net Result was achieved, Orders and Net Working Capital targets were not reached.
- Plan for the free allocation of Shares 2014-2016 (SGP 2014-2016) requires that the performance targets indicated in the "*Informative document pursuant to article 84 bis- sub-article 1, of the Regulations adopted by Consob with Resolution no. 11971 of 14 May 1999 as subsequently modified and supplemented, in relation to Ansaldo STS. S.p.A stock grants*" available at web address http://www.ansaldo-sts.com; are reached.

With reference to this plan, with respect to financial year 2016, it was set at EUR 80,251 the maximum number of shares that may be allocated to Managers with Strategic Responsibilities under that plan. The achievement of the targets was verified on the basis of the draft Financial Statements and Consolidated Financial Statements for the financial year 2016 approved by the Board of Directors. The shares accrued with reference to the financial year 2016 were 75,837 and they will be allocated during the financial year 2019. The SGP for 2014-2016 also provides for a two-year lock-up period with respect to 20% of the shares assigned at the end of the three years vesting period.

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

Strategic Responsibilities.

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

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

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

- in the event of dismissal for just cause under Article 2119 of the Italian Civil Code and of justified dismissal or of resignation without just cause pursuant to the same article, as in the case of termination for just cause or of resignation without just cause (from the position of director), which occurs prior to the delivery of the shares involved in the plan, the exclusion from the plan will be automatic; accordingly, the allocation of the shares to the participants in the plan (Chief Executive Officer, the General Manager and Managers with Strategic Responsibilities) shall be deemed to be cancelled for all effects and purposes and all entitlement to receive shares that are allocated but not yet delivered at the date of termination of the office or of the employment, shall be immediately cancelled and devoid of any further effect. Unless a more favourable decision is taken by the Committee, a similar exclusion will take place in the event that the concerned party is or was on leave and/or excluded or suspended from the employment for a continuous or fractioned period greater than or equal to 3 months between the date of assignment and the date of delivery, except for maternity and paternity leave, and parental leave;
- in the event of termination by mutual agreement of a plan participant's employment contract, with the Company's prior written consent, or in the event of unjustified dismissal or dismissal without just cause under Article 2119 of the Italian Civil Code or of resignation for just cause pursuant to that article, as in the case of cessation from office not due to termination for just cause or of resignation for just cause (from the position of director), which occurs prior to the date of expiry of the Plan validity - and, unless a more favourable decision is taken by the Committee (which, for assignments to people other than the directors with delegated powers, resolves on the Chief Executive Officer's and General Manager's proposals) - the targets, whose achievement is the precondition for the attribution of the shares allocated will be redefined, also taking into account the actual permanence (*pro rata temporis*) of the plan participant in the Company or, within the scope of the plan beneficiaries, in relation to the period of validity of the same plan, provided that the conditions and targets required for the actual allocation of the shares

have been met. The same provisions also apply in the event of cessation from office or termination of the employment due to death, permanent disability or if the person concerned meets the old age pension requirements. It is understood that, in the event of death, the rights assigned shall be transferred to the heirs.

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

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

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

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

In the event of early cessation of office due to:

- termination without just cause and/or dismissal without just cause;
- voluntary resignation from his job and office for just cause, a taxable gross indemnity would have been paid equal to 24 months' total remuneration, calculated as the sum:
    i. of the annual fixed remuneration paid to Mr Stefano Siragusa as Chief Executive Officer and General Manager;
    ii. of the average, on an annual basis, of the variable MBO and LTIP components (the SGP remaining excluded from any calculation) that may be received in the 2 years prior to the cessation.

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

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

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

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

Please note that as non-monetary benefit the Company gave to Mr Siragusa the use of an accommodation until 31 October 2017.

In consideration of Mr Siragusa's waiver of the payments due for the variable components of his remuneration, the Company has paid the total lump-sum of EUR 2,906.000 gross of withholdings under the law within June 2016.

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

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

- the cessation of the office of Chief Executive Officer and of the employment; and
- the signing of a settlement agreement, ratified pursuant to Article 2113, paragraph 4, of the Italian Civil Code and Articles 410 and 411 of the Italian Code of Civil Procedure on

termination of his post of Chief Executive Officer and his employment, as well as any other work relationship with the Ansaldo STS Group companies.

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

It must be noted that the Company has also entered into a non-competition agreement with Mr Andrew Barr having the following essential characteristics: term of 12 months, geographical application: Europe and North America, reference sector those operating in the same sector as Ansaldo STS. Remuneration for this agreement is equal to Euro 150,000 (ref preceding paragraph 1.1.1).

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

* * * * *

Please note that all remuneration plans adopted by the Company under Articles 114-*bis* of the TUF are available in the "*Governance*" – "*Governance Documents and Reports*" section of the Company's website (www.ansaldo-sts.com).

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

* * * * *

PART TWO - TABLES

The following tables detail the fees of the members of the Board of Directors and of the Board of Statutory Auditors, the General Manager and of the Managers with Strategic Responsibilities, paid or to be paid by the Company or by its subsidiaries and affiliates for the financial year2016.

Genoa, 13 April 2017

For the Board of Directors

The Chairman

(Alistair Dormer)

Table 1: Fees paid to the members of the Board of Directors, the Board of Statutory Auditors, of the General Manager and the Managers with Strategic Responsibilities during the financial year 2016*

Name and surname	Office	Term of office	Date of expiry of office		Fixed fees	Fees for participation in Committees	Non equity variable fees		Non-monetary benefits	Other fees	Total	Fair Value of fees	Indemnity for end of office / termination of employment contract
							Bonuses and other incentives	Participation in the profits					
Figures in EUR													
Alistair Dormer	BoD Chairman	01.01.2016 – 31.12.2016	Meeting for approval of fin. Statements for 2018	*Fees in Ansaldo STS*	75,000.00	-	-	-	-	-	75,000.00	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	75,000.00	-	-	-	-	-	75,000.00	-	-
Stefano Siragusa	Chief Executive Officer and General Manager	01.01.2016 – 13.05.2016	13.05.2016	*Fees in Ansaldo STS*	275,932.00 (1)	-	-	-	27,534.00	-	303,466.00	-	3,201,000.00 (2)
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	275,932.00 (1)	-	-	-	27,534.00	-	303,466.00	-	3,201,000.00 (2)
Andrew Barr	Chief Executive Officer and General Manager	24.05.2016 – 31.12.2016	Meeting for approval of fin. statements for 2018	*Fees in Ansaldo STS*	243,304.00 (4)	-	109,914.00 (5)	-	9,175.00	-	362,393.00	170,783.00 (3)	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	243,304.00 (4)	-	109,914.00 (5)	-	9,175.00	-	362,393.00	170,783.00 (3)	-
Karen Boswell	Vice Chairman BoD	01.01.2016 - 13.05.2016	13.05.2016	*Fees in Ansaldo STS*	18,306.00	-	-	-	-	-	18,306.00	-	-
				Fees in	-	-	-	-	-	-	-	-	-

* Please note that, with the exception of the notes set out below concerning the Chief Executive Officer, the General Manager and the Managers with Responsibilities, fees of the members of the Board of Directors and of the members of the Board of Statutory Auditors indicated in this table and relative to the financial year 2016, will be paid in 2017.

Name and surname	Office	Term of office	Date of expiry of office		Fixed fees	Fees for participation in Committees	Non equity variable fees		Non-monetary benefits	Other fees	Total	Fair Value of fees	Indemnity for end of office / termination of employment contract
							Bonuses and other incentives	Participation in the profits					
Figures in EUR													
				subsidiaries and affiliates									
				Total	18,306.00	-	-	-	-	-	18,306.00	-	-
Katharine Mingay	Vice Chairman BoD** and Director	13.05.2016 – 31.12.2016	Meeting for approval of fin. statements for 2018	*Fees in Ansaldo STS*	31,694.00	-	-	-	-	-	31,694.00	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	31,694.00	-	-	-	-	-	31,694.00	-	-
Alberto de Benedictis	Vice Chairman BoD, member of the Nomination and Remuneration Committee and Control and Risk Committee Chairman (6)	13.05.2016 – 31.12.2016	Meeting for approval of fin. Statements for 2018	*Fees in Ansaldo STS*	31.694.00	28,525.00(7)	-	-	-	-	60,219.00	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	31,694.00	28,525.00(7)	-	-	-	-	60,219.00	-	-
Giuseppe Bivona	Director	13.05.2016 – 31.12.2016	19.01.2017	*Fees in Ansaldo STS*	31,694.00	-	-	-	-	-	31,694.00	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	31,694.00	-	-	-	-	-	31,694.00	-	-
Giovanni Cavallini	Director and Control and Risk Committee Chairman	01.01.2016 - 13.05.2016	13.05.2016	*Fees in Ansaldo STS*	18,306,00	10,984.00	-	-	-	-	29,290.00	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	18,306,00	10,984.00	-	-	-	-	29,290.00	-	-

Name and surname	Office	Term of office	Date of expiry of office		Fixed fees	Fees for participation in Committees	Non equity variable fees		Non-monetary benefits	Other fees	Total	Fair Value of fees	Indemnity for end of office / termination of employment contract
							Bonuses and other incentives	Participation in the profits					
Figures in EUR													
Rosa Cipriotti	Director	13.05.2016 – 31.12.2016	Meeting for approval of fin.statements for 2018	*Fees in Ansaldo STS*	31,694.00	-	-	-	-	-	31,694.00	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	31,694.00	-	-	-	-	-	31,694.00	-	-
Giulio Gallazzi	Director and Nomination and Remuneration Committee Chairman	01.01.2016 – 13.05.2016	13.05.2016	*Fees in Ansaldo STS*	18,306.00	7,322.00	-	-	-	-	25,628.00	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	18,306.00	7,322.00	-	-	-	-	25,628.00	-	-
Mario Garraffo	Director and member of the Nomination and Remuneration Committee and member of the Control and Risk Committee (8)	01.01.2016 – 31.12.2016	Meeting for approval of fin. statements for 2018	*Fees in Ansaldo STS*	50,000.00	25,355.00 (9)	-	-	-	-	75,355.00	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	50,000.00	25,355.00 (9)	-	-	-	-	75,355.00	-	-
Paola Giannotti	Director and member of the Control and Risk Committee	01.01.2016 - 13.05.2016	13.05.2016	*Fees in Ansaldo STS*	18,306.00	9,153.00	-	-	-	-	27,459.00	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	18,306.00	9,153.00	-	-	-	-	27,459.00	-	-
Fabio Labruna	Director	13.05.2016 - 31.12.2016	Meeting for approval of fin. statements	*Fees in Ansaldo STS*	31,694.00	-	-	-	-	-	31,694.00	-	-
				Fees in subsidiaries	-	-	-	-	-	-	-	-	-

Name and surname	Office	Term of office	Date of expiry of office		Fixed fees	Fees for participation in Committees	Non equity variable fees		Non-monetary benefits	Other fees	Total	Fair Value of fees	Indemnity for end of office / termination of employment contract
							Bonuses and other incentives	Participation in the profits					
Figures in EUR													
			for 2018	*and affiliates*									
				Total	31,694.00	-	-	-	-	-	31,694.00	-	-
Katherine Painter	Director and member of the Control and Risk Committee and Nomination and Remuneration Committee Chairman (10)	13.05.2016 - 31.12.2016	Meeting for approval of fin. statements for 2018	*Fees in Ansaldo STS*	31,694.00	28,525.00(11)	-	-	-	-	60,219.00	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	31,694.00	28,525.00 (11)	-	-	-	-	60,219.00	-	-
Bruno Pavesi	Director and member of the Control and Risk Committee and member of the Nomination and Remuneration Committee(12)	01.01.2016 - 13.05.2016	13.05.2016	*Fees in Ansaldo STS*	18,306.00	14,645.00 (13)	-	-	-	-	32,951.00	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	18,306.00	14,645.00 (13)	-	-	-	-	32,951.00	-	-
Alessandra Piccinino	Director and member of the Nomination and Remuneration Committee	01.01.2016 - 31.05.2016	13.05.2016	*Fees in Ansaldo STS*	18,306.00	5,492.00	-	-	-	-	23,798.00	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	18,306.00	5,492.00	-	-	-	-	23,798.00	-	-
Giacinto Sarubbi	Chairman Board Statutory of Auditors	01.01.2016 - 31.12.2016	Meeting for approval of fin. statements	*Fees in Ansaldo STS*	75,000.00	15,000.00	-	-	-	-	90,000.00	-	-
				Fees in subsidiaries	-	-	-	-	-	-	-	-	-

Name and surname	Office	Term of office	Date of expiry of office		Fixed fees	Fees for participation in Committees	Non equity variable fees		Non-monetary benefits	Other fees	Total	Fair Value of fees	Indemnity for end of office / termination of employment contract
							Bonuses and other incentives	Participation in the profits					
Figures in EUR													
			for 2016	*and affiliates*									
				Total	75,000.00	15,000.00	-	-	-	-	90,000.00	-	-
Renato Righetti	Regular Statutory Auditor	01.01.2016 - 31.12.2016	Meeting for approval of fin. statements for 2016	*Fees in Ansaldo STS*	50,000.00	10,000.00	-	-	-	-	60,000.00	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	50,000.00	10,000.00	-	-	-	-	60,000.00	-	-
Maria Enrica Spinardi	Regular Statutory Auditor	01.01.2016 - 31.12.2016	Meeting for approval of fin. statements for 2016	*Fees in Ansaldo STS*	50,000.00	10,000.00	-	-	-	-	60,000.00	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	50,000.00	10,000.00	-	-	-	-	60,000.00	-	-
Manager with Strategic Responsibilities (14)	-	-	-	*Fees in Ansaldo STS*	706,691.00 (15)	-	534,271.00 (16)	-	97,053.00	-	1,338,015.00	796,289.00 (3)	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	706,691.00 (15)	-	534,271.00 (16)	-	97,053.00	-	1,338,015.00	796,289.00 (3)	-

** Please note that Ms Mingay resigned from the office of Vice Chairman of the Board of Directors on 21 October 2016 with immediate effect.

(1) Amounts paid during financial year 2016 for period from 01 January 2016 until 13 May 2016:

- EUR 18,413.00 as fixed fee for the office of Member of the Board of Directors;
- EUR 11,049.00 as fixed fee assigned to Mr Siragusa for the office of Chief Executive Officer pursuant to Article 2389, third paragraph of the Italian Civil Code;
- EUR 108,876.00 as fee for the office of General Manager;
- EUR 33,333.00 by way of consideration for the non-compete covenant described in paragraph 1.4, Section II;
- EUR 99,330.00 as employment remuneration, with particular regard to holidays and other allowances;

- EUR 4,931.00 as lump-sum reimbursement for expenses.

(2) Following his resignation on 30 March 2016, Mr Siragusa waived the payment of the variable component of his remuneration. In consideration of this waiver, the Company paid the total lump-sum amount of EUR 3,201,000.00 gross of withholdings due under the law, within June 2016.

(3) *Fair value* based on the maximum number of shares that may be allocated under the 2014-2016 Stock Grant Plan, with reference to the financial year 2016.

(4) Amounts paid during the financial year 2016 for period from 24 May 2016 to 31 December 2016:

- EUR 30,242.00 as fixed fee for the office of Member of the Board of Directors;
- EUR 18,145.00 as fixed fee assigned to Mr Barr for the office of Chief Executive Officer pursuant to Article 2389, third paragraph of the Italian Civil Code;
- EUR 189,191.00 as fee for the office of General Manager;
- EUR 1,894.00 as employment remuneration, with particular regard to holidays and other allowances;
- EUR 3,832.00 as lump-sum reimbursement for expenses.

(5) of which:

- EUR 79,147.00 as an incentive accrued for the financial year 2016 on the basis of the established performance targets and the incentive accrued with reference to the MBO 2016 plan; this amount will be paid in 2017;
- EUR 30,767.00 as an incentive accrued for the financial year 2016 on the basis of the established performance targets and the incentive accrued with reference to the LTIP 2015-2017 plan for the financial year 2016; this amount will be paid in 2018 on the basis of the annual vesting period.

(6) Alberto de Benedictis was appointed by the Board of Directors as member of the Nomination and Remuneration and Chairman of the Control & Risk Committee from 16 May 2016 and Vice Chairman of the Board of Directors on 28 October 2016.

(7) Of which: *(i)* EUR 19,016.00 as *pro rata temporis* remuneration for the office of Chairman of the Control and Risk Committee; and *(ii)* EUR 9,509.00 as *pro rata temporis* remuneration for the office of Member of the Nomination and Remuneration Committee.

(8) Mario Garraffo was confirmed as director by the Board Meeting held on 13 May 2016 and on 16 May 2016 was appointed by the Board of Directors as member of the Nomination and Remuneration Committee and of the Control and Risk Committee.

(9) Of which: *(i)* EUR 9,508.00 as *pro rata temporis* remuneration for the position of member of the Nomination and Remuneration Committee; and *(ii)* EUR 15,847 as *pro rata temporis* remuneration for the position of member of the Nomination and Remuneration Committee.

(10) On 16 May 2016 Katharine Painter was appointed Chairman of the Nomination and Remuneration Committee and member of the Control and Risk Committee by the Board of Directors.

(11) Of which: *(i)* EUR 12,678.00 as pro rata temporis remuneration for the office of Chairman of the Nomination and Remuneration Committee and *(ii)* EUR 15,847.00 as pro rata temporis remuneration for the office of member of the Control and Risk Committee.

(12) Bruno Pavesi was appointed member of the Nominations and Remuneration Committee and the Control and Risk Committee up to 13 May 2016.

(13) Of which: *(i)* EUR 5,492.00 as *pro rata temporis* remuneration as member of the Nomination and Remuneration Committee and *(ii)* EUR 9,153.00 as pro rata temporis remuneration for the office of member of the Control and Risk Committee.

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

(15) Of which:

- EUR 660,467.00 as fixed remuneration, consisting in the fixed gross annual remuneration provided for under the individual contract signed by the Managers with Strategic Responsibilities, in accordance with the provisions of the applicable contractual rules;
- EUR 8,804.00 as employment remuneration, with particular reference to holidays and other emoluments;

- EUR 37,420.00 by way of a fixed indemnity.

(16) Of which:

- EUR 371,705.00, as an incentive accrued for the financial year 2016 on the basis of the established performance targets and the incentive accrued with reference to the MBO 2016 plan; this amount will be paid in 2017;
- EUR 162,566.00 as an incentive accrued for the financial year 2016 on the basis of the established performance targets and the incentive accrued with reference to the LTIP 2015-2017 plan for the financial year 2016; this amount will be paid, on the basis of the annual vesting period, in 2018.

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

				Financial instruments allocated in previous financial years, not *vested* during the financial year		Financial instruments allocated during the financial year					Financial instruments *vested* during the financial year and not allocated	Financial instruments *vested* during the financial year that may be allocated		Financial instruments accrued during the financial year
First name and surname	**Office**		**Plan**	**No. and type of financial instruments**	***Vesting* period**	**No. and type of financial instruments**	***Fair value* at the allocation date (EUR)**	***Vesting* period**	**Date of allocation**	**Market price at the allocation date (EUR)**	**No. and type of financial instruments**	**No. and type of financial instruments**	**Value at accrual date**	***Fair Value* (EUR)**
Andrew Barr	Chief Executive Officer and General Manager	*Fees in Ansaldo STS*	Free Share Allocation Plan 2014-2016 (Meeting of held on 15.04.2014)	-	-	16,265 (1)	10.5	Three years	24 May 2016	-	_	_	_	170,783.00 (2)
		Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-	-	-	-
		Total	-	-	-	16,265	10.5	Three years	-	-	_	_	_	170,783.00
Sergio De Luca	Chief Executive Officer (3)	*Fees in Ansaldo STS*	Free Share Allocation Plan 2012-2013 (Meeting held on 07.05.2012)	-	-	-	-	-	-	-	_	12,835 (4)	134,023.00 (5)	-

		Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-	-	-	-
		Total	-	-	-	-	-	-	-	-	-	12,835	134,023.00	-
Managers with Strategic Responsibilities		*Fees in Ansaldo STS*	Free Share Allocation Plan 2012-2013 (Meeting of 07.05.2012)	-	-	-	-	-	-	-	-	6,532 [6]	68,207.00 [5]	-
			Free Share Allocation Plan 2014-2016 (Meeting of 15.04.2014)	80,252[7]	Three years	80,251[8]	10.5	Three years	15 April 2014 [2]	-	-	-	-	842,636.00 [9]
		Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-	-	-	-
		Total	-	80,252	Three years	80,251	10.5	Three years	-	-	-	6,532	68,207.00	842.635,00

[1] Maximum number of shares to be granted under the Stock Grant Plan 2014-2016 for the financial year 2016. The shares vested with reference to the financial year 2016 amounted to 15,370 and, in respect of the three-year vesting period will be been granted during the financial year 2019.

[2] Fair value determined based on the maximum number of shares attributed as part of the 2014-2016 Stock Grant Plan, with reference to the financial year 2016.

[3] Office held until 31 December 2013.

[4] The shares accrued with reference to the financial year 2013, inclusive of the increases linked to the instalments of the capital increase, of which 2,567 are subject to lock-up every two years. These shares, in compliance with the three-year vesting period, were allocated during the financial year 2016.

[5] Taxable value of shares granted on the accrual date, which is the so-called "normal value" and which is the average daily closing value of the Ansaldo STS stocks in the 30 days prior to the expected delivery.

[6] Shares accrued with reference to the financial year 2013, inclusive of the increases linked to the instalments of the capital increase, of which 1,306 is subject to lock-up every two years. These shares, in compliance with the three-year vesting period, were allocated during the financial year 2016.

[7] Maximum number of shares to be granted for the financial years 2014-2015 under the Stock Grant Plan 2014-2016 to the Managers with Strategic Responsibilities commencing from 1 January 2014. The shares accrued with reference to the financial year 2014 amounted to 40,126 and, in compliance with the three-year vesting period, will be conferred during the financial year 2017. The shares accrued with reference to the financial year 2015 amounted to 40,126 and, in compliance with the three-year vesting period, will be conferred during the financial year 2018.

[8] Maximum number of shares to be granted for the financial year 2016 under the Stock Grant Plan 2014-2016 to the Managers with Strategic Responsibilities commencing from 1 January 2014. The shares accrued with reference to the financial year 2016 amounted to 75,837 and, in compliance with the three-year vesting period, will be conferred during the financial year 2019.

[9] Fair value determined by the maximum number of shares to be granted under the 2014-2016 Stock Grant Plan with reference to the financial year 2016.

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

				Annual bonus (EUR)			Previous annual bonuses (EUR)			Other bonuses (EUR)
First name and surname	**Office**		**Plan**	**Payable/paid**	**Postponed**	**Postponement period**	**No longer payable**	**Payable/paid**	**Further postponed**	
Andrew Barr	Chief Executive Officer and General Manager	*Fees in Ansaldo STS*	MBO 2016 (BoD 27 July 2016)	79,147.00	–	–	–	–	–	–
			LTIP 2014-2016 (BoD 30.10.2014)	0	0	1 year	–	–	–	–
			LTIP 2015-2017 (BoD 27 July 2016)	-	30,767.00	1 year	-	-	-	-
			LTIP 2016 - 2018 (BoD 27 July 2016)	0	0	1 year	–	–	–	-
		Fees in subsidiaries and affiliates	–	–	–	–	–	–	–	–
		Total		79,147.00	30,767.00	-	-	-	-	-
Managers with Strategic Responsibilities		*Fees in Ansaldo STS*	MBO 2016 (BoD 27 July 2016) (1)	371,705.00	–	–	–	–	–	–
			LTIP 2014-2016 (BoD 30.10.2014) (1)	0	0	1 year	–	–	–	–
			LTIP 2015 - 2017 (BoD 27.07.2016) (1)	-	162,566.00	1 year	-	-	-	-

			LTIP 2016 - 2018 (BoD 27 July 2016) [1]	0	0	1 year	–	–	–	-
		Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-
		Total	-	371,705.00	162,566.00	-	-	-	-	-

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

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

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

Surname and first name	Office	Period in which the office was held	Invested company	No. of shares owned at the end of the financial year 2015	No. of shares bought	No. of shares sold	No. of shares owned at the end of the financial year 2016
Managers with Strategic Responsibilities [1]	-	01.01.2016 - 31.12.2016	Ansaldo STS	1,960	9,905 [2]	9,905	1,960 [3]

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

[2] These shares, of which 3,266 were subject to two-year lock-up, were delivered during the course of the financial year 2016.

[3] Ownership of Shares.

ANNEX

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

FEE PLANS BASED ON FINANCIAL INSTRUMENTS

Table No. 1 of Schedule 7 of Annex 3A of Regulation No. 11971/1999

First name and surname or category	Office	**Stock Grant Plan 2012 - 2013 - PANEL 1 – ALLOCATION FOR THE FINANCIAL YEAR 2013**						
		Financial instruments other than stock options *(STOCK GRANT)*						
		Section 1 Instruments relating to plans that are still ongoing, approved on the basis of previous General Meeting resolutions						
		Date of resolution	Description of instrument	Number of instruments assigned by the competent body (Nomination and Remuneration Committee)	Date of allocation by the competent body (Nomination and Remuneration Committee)	Purchase price of the instruments, if any	Market price at the allocation date	Vesting period
Sergio De Luca	Chief Executive Officer of Ansaldo STS S.p.A. (1)	07/05/2012	Shares in Ansaldo STS S.p.A.	12,835(2)	05/03/2014 (2)	__	10.380	Three years (7)
Managers with Strategic Responsibilities (3)	----	07/05/2012	Shares in Ansaldo STS S.p.A.	6,532 (4)	05/03/2014(4)	__	10.380	Three years (7)
Managers (40 recipients) (5)	----	07/05/2012	Shares in Ansaldo STS S.p.A.	107,327 (6)	05/03/2014 (6)	__	10.380	Three years (7)

(1) Office held until 31st December 2013.

(2)Based on the General Meeting resolution of 7 May 2012 approving the 2012-2013 Stock Grant Plan, the Chief Executive Officer was allocated a maximum number of shares amounting to 35,939 in 2013. 12,835 shares, which effectively accrued for 2013, were allocated by the Nomination and Remuneration Committee on 5 March 2014 (this number takes into account the increase related to the third, fourth and fifth instalments of the capital increase). The shares will be delivered during 2016, in compliance with the three-year vesting period foreseen the plan. The shares will be delivered on the first working day of May 2016 following the expiry of the three-year vesting period from the date of the General Meeting approving the plan and therefore, 9 May 2016. It must be noted that, with respect to the SGP 2012-2013 Plan Regulation, 20% of the shares delivered is subject to a bi-annual lock-up running from the expiry of the vesting period.

(3)Such item refers to the sole head of the *Standard Product & Platform* Unit (Giuseppe Gaudiello), qualified as a Manager with Strategic Responsibilities until 31 December 2013, thus excluding Emmanuel Viollet, who was previously head of the *Business Signalling* Unit and has no longer been an employee of the Ansaldo STS Group since 31 March 2015.

(4) Based on the General Meeting resolution passed on 7 May 2012 approving the 2012-2013 Stock Grant Plan, the Managers with Strategic Responsibilities in office until 31 December 2013 were assigned, in aggregate, a maximum number of 18,289 shares for 2013. The 6,532 shares effectively accrued for the financial year 2013 were allocated by the Nomination and Remuneration Committee on 5 March, 2014 (this number takes into account the increase related to the third, fourth and fifth instalments of the capital increase). The shares were delivered on the first working day of May 2016 following the expiry of the three-year vesting period from the date of the General Meeting approving the plan and therefore, 9 May 2016. It must be noted that, with respect to the SGP 2012-2013 Plan Regulation, 20% of the shares delivered is subject to a bi-annual lock-up running from the expiry of the vesting period.

(5) The Board of Directors meeting of 28 June 2012, on the Nomination and Remuneration Committee so proposing, identified the Managers of Ansaldo STS and/or Companies of the Group ASTS as beneficiaries of the 2012-2013 Stock Grant Plan, also determining the number of shares to be allotted to each of them (on that date, 56 Managers were thus identified). Following the exit from the Group of three of the beneficiaries who had been initially identified (of which one on 1 March 2014), 53 Managers were identified as beneficiaries for the year 2013. After 13 individuals, who had initially been identified, had left the Group, the beneficiaries of the *Stock grant* 2012-2013 plan for the financial year 2013 amounted to 40.

(6) Based on the General Meeting resolution of 7 May 2012 approving the 2012-2013 Stock Grant Plan, the Managers of Ansaldo and/or of companies of the Ansaldo STS Group were allocated, in aggregate, a maximum of 305,361 shares for 2013. The 107,327 shares – which had effectively accrued for the financial year 2013 – were allocated by the Nomination and Remuneration Committee on 5 March 2014 (this number takes into account the increase relating to the third, fourth and fifth instalments of the capital increase). The shares were delivered were delivered on the first working day of May 2016 following the expiry of the three-year vesting period from the date of the General Meeting approving the plan and therefore, 9 May 2016.

(7) The Stock Grant Plan for 2012-2013 approved by the ordinary General Meeting of 7 May 2012 provides that the three-year vesting period for shares allocated for the financial year 2013 begins from 7 May 2013. The shares were delivered were delivered on the first working day of May 2016 following the expiry of the three-year vesting period from the date of the General Meeting approving the plan and therefore, 9 May 2016.

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

REMUNERATION PLANS BASED ON FINANCIAL INSTRUMENTS

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

First name and surname or category	Office	**Stock Grant Plan 2014 -2016 - PANEL 1 – ALLOCATION FOR THE FINANCIAL YEAR 2014** Financial instruments other than stock options *(STOCK GRANT)* **Section 1** Instruments relating to plans that are still ongoing, approved on the basis of previous General Meeting resolutions						
		Date of resolution	Description of instrument	Number of instruments assigned by the competent body (Nomination and Remuneration Committee)	Date of allocation by the competent body (Nomination and Remuneration Committee)	Purchase price of the instruments, if any	Market price at the allocation date	Vesting period
Stefano Siragusa	Ansaldo STS S.p.A. Chief Executive Officer and General Manager	15/04/2014	Shares of Ansaldo STS S.p.A.	18,298 (1)	3 March 2015 (1)	__	N.A. (6)	Three years (7)
Managers with Strategic Responsibilities (2)	----	15/04/2014	Shares of Ansaldo STS S.p.A.	40,126 (3)	3 March 2015 (3)	__	N.A. (6)	Three years (7)
Managers (28 beneficiaries) (4)	----	15/04/2014	Shares of Ansaldo STS S.p.A.	149,487 (5)	3 March 2015 (5)	__	N.A. (6)	Three years (7)

(1) Based on the resolution passed by the General Meeting on 15 April 2014 which approved the Stock Grant Plan 2014-2016, a maximum number of shares amounting to 18,298 for the financial year 2014 were assigned to the Chief Executive Officer and General Manager. 18,298 actually vested shares for the financial year 2014 were allocated by the Nomination and Remuneration Committee on 3 March 2015. Based on the provisions of the Plan, these shares would have been attributed during financial year 2017. Following his resignation, Mr Siragusa waived, among other payments, the payment of the variable component of his remuneration arising from his participation in the Stock Grant Plan 2014-2016. Therefore, the vested shares will not be delivered.

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

(3) Based on the resolution passed by the General Meeting on 15 April 2014 which approved the Stock Grant Plan 2014-2016, a maximum number of shares attributable for the fianancial year 2014 amounting to 40,126 were allocated in aggregate to Managers with Strategic Responsibilities commencing from 1 January 2014. 40,126 actually vested shares were, for the financial year 2014, allocated by the Nomination and

the Remuneration Committee on 3 March 2015. The shares will be delivered during the course of 2017, in compliance with the plan's three-year vesting period.

(4) The Board of Directors Meeting held on 30 October 2014, identified, upon the Nomination and Remuneration Committee so proposing, 37 Ansaldo STS and/or ASTS Group Managers as being beneficiaries of the 2014-2016 Stock Grant Plan. Following the exit of 9 of the initially identified recipients from the Group, the number of beneficiaries of the Stock Grant Plan 2014-2016, for 2014, amounted to 28.

(5) Based on the resolution passed by the General Meeting on 15 April 2014 which approved the Stock Grant Plan 2014-2016, a maximum number of shares attributable for the financial year 2014 amounting to 149,487 were allocated in aggregate to Ansaldo STS and/or ASTS Group Managers in office. 149,487 actually vested shares were, for the financial year 2014, allocated by the Nomination and the Remuneration Committee on 3 March 2015. The shares will be delivered during the course of 2017, in compliance with the three-year vesting period of the plan.

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

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

First name and surname or category	Office	Stock Grant Plan 2014 -2016 - PANEL 1 – ALLOCATION FOR THE FINANCIAL YEAR 2015						
		Financial instruments other than stock options *(STOCK GRANT)*						
		Section 1 Instruments relating to plans that are still ongoing, approved on the basis of previous General Meeting resolutions						
		Date of resolution	Description of instrument	Number of instruments assigned by the competent body (Nomination and Remuneration Committee)	Date of allocation by the competent body (Nomination and Remuneration Committee)	Purchase price of the instruments, if any	Market price at the allocation date	Vesting period
Stefano Siragusa	Ansaldo STS S.p.A. Chief Executive Officer and General Manager	15/04/2014	Shares of Ansaldo STS S.p.A.	18,298 (1)	15 February 2016 (1)	__	N.A. (6)	Three years (7)
Managers with Strategic Responsibilities (2)	----	15/04/2014	Shares of Ansaldo STS S.p.A.	40,126 (3)	15 February 2016 (3)	__	N.A. (6)	Three years (7)
Managers (29 beneficiaries) (4)	----	15/04/2014	Shares of Ansaldo STS S.p.A.	160,305 (5)	15 February 2016 (5)	__	N.A. (6)	Three years (7)

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

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

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

(4) The Board of Directors Meeting held on 30 October 2014, upon the Nomination and Remuneration Committee so proposing, identified 37 Ansaldo STS and/or ASTS Group Managers as beneficiaries of the 2014-2016 Stock Grant Plan. Following the exit of 10 of the initially identified recipients from the Group and the identification of 2 further beneficiaries, the number of beneficiaries of the 2014-2016 Stock Grant Plan for the financial year 2015 amounted to 29.

(5) Based on the resolution passed by the General Meeting on 15 April 2014 which approved the 2014-2016 Stock Grant Plan, a maximum number of shares attributable for the financial year 2015 amounting to 160,305 were allocated in aggregate to Ansaldo STS and/or ASTS Group Managers. 160,305 were actually vested shares for the financial year 2015, that were allocated by the Nomination and the Remuneration

Committee on 15 February 2016. The shares will be delivered during the course of 2018, in compliance with the three-year vesting period of the plan.

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

(7) The 2014-2016 Stock Grant Plan approved by the General Meeting on 15 April 2014 provides that the three-year vesting period regarding the shares assigned with reference to the financial year 2015 runs from 15 April 2015.

First name and surname or category	Office	Stock Grant Plan 2014 -2016 - PANEL 1 – ALLOCATION FOR THE FINANCIAL YEAR 2016						
		Financial Instruments other than stock options *(STOCK GRANT)*						
		Section 1 Financial instruments relating to plans that are still ongoing approved on the basis of the previous General Meeting resolutions						
		Date of resolution	Description of instrument	Number of instruments assigned by the competent body (Nomination and Remuneration Committee)	Date of allocation by the competent body (Nomination and Remuneration Committee)	Purchase price of the instruments if any	Market price at allocation date	Vesting period
Andrew Barr	Chief Executive Officer of Ansaldo STS S.p.A.	15/04/2014	Shares of Ansaldo STS S.p.A.	15,370[1]	23 February 2017 [1]	—	N.A.[6]	Three years[7]
Managers with strategic responsibilities[2]	----	15/04/2014	Shares of Ansaldo STS S.p.A.	75,837[3]	23 February 2017 [3]	—	N.A. [6]	Three years[7]
Managers (29 beneficiaries)[4]	----	15/04/2014	Shares of Ansaldo STS S.p.A.	302,975 [5]	23 February 2017 [5]	—	N.A. [6]	Three years [7]

[1] Based on the resolution taken at the Ordinary General Meeting held on 15 April 2014 approving the 2014-2016 *Stock Grant Plan*, the Chief Executive Officer and the General Manager were allocated the maximum number of shares accruing as from the date of appointment 24 May 2016, amounting to 16,265. Allocation of 15.370 shares actually accruing during financial year 2016 was made by the Nomination and Remuneration Committee on 23 February 2017. Shares will be delivered during 2019, pursuant to the three year vesting period foreseen in the plan.

[2] This item makes reference to the Company's *Chief Operating Officer* (Christian Andi), to the manager of the Business Unit *Railways & Mass Transit* (Giuseppe Gaudiello) and to the manager of the Business Freight unit (Michele Fracchiolla), qualified as Managers with Strategic Responsibilities as from 1 January 2014.

[3] Based on the resolution taken at the Ordinary General Meeting held on 15 April 2014 approving the 2014-2016 *Stock Grant Plan,* Managers with Strategic Responsibilities appointed as from 1 January 2014 were allocated the maximum number of shares accruing during financial year 2016 amounting to 80,251. Allocation of 75.837 shares actually accruing during financial year 2016 was made by the Nomination and Remuneration Committee on 23 February 2017. Shares will be delivered during 2019, pursuant to the three year vesting period foreseen in the plan.

[4] Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors' meeting held on 30 October 2014, identified 37 Managers of Ansaldo STS and/or ASTS Group Companies beneficiaries of the 2014-2016 Stock Grant Plan. Following exit from the group of 10 beneficiaries initially selected and a further 2 beneficiaries the number of beneficiaries of the 2014-2016 *Stock Grant Plan,* the allocation for financial year 2016, is equal to 29.

[5] Based on the resolution taken at the Ordinary General Meeting held on 15 April 2014 approving the 2014-2016 *Stock Grant Plan* the Managers of Ansaldo STS and/or companies within the Ansaldo STS Group were allocated the maximum number of shares accruing during financial year 2015 amounting to 320.608. Allocation of 302.975 shares actually accruing during financial year 2016 was made by the Nomination and Remuneration Committee on 23 February 2017. Shares will be delivered during 2019, pursuant to the three year vesting period foreseen in the plan.

[6] This information will be available upon delivery of the shares. At the date of the General Meeting on 15 April 2014 which approved the *Stock Grant Plan* 2014-2016, the market price was Euro 6.939.

[7] The 2014-2016 *Stock Grant Plan* approved by the ordinary General Meeting of 15 April 2014 provided that the three year vesting period for the shares allocated for 2016 begins from 15 April 2016.