



ANSALDO STS S.p.A.

REGISTERED OFFICE IN GENOA, VIA PAOLO MANTOVANI 3 - 5

SHARE CAPITAL EURO 60,000,000.00 FULLY SUBSCRIBED AND PAID UP

NUMBER OF REGISTRATION IN THE BUSINESS REGISTER OF GENOA AND TAX CODE 01371160662

SUBJECT TO DIRECTION AND COORDINATION BY FINMECCANICA S.p.A.

Ordinary and Extraordinary Meeting of the Shareholders

April 4 – 5, 2011

Explanatory Report of the Board of Directors drafted pursuant to Art. 125-ter of Legislative Decree No. 58 of February 24, 1998, as subsequently amended

Item 7 of the agenda for the ordinary part of the Meeting - Amendments to articles 2, 4, 5, 9, 10, 11 and 16 of the Meeting Regulation. Related and consequent resolutions.

Dear Shareholders,

with respect to the seventh item of the agenda for the ordinary part of the Meeting, you are called to discuss and deliberate on the proposal for amendment of certain provisions of the meeting regulation of Ansaldo STS S.p.A. (the "**Meeting Regulation**"), in order to conform the same to the provisions of Legislative Decree No. 27 of January 27, 2010, which transposed the directive 2007/36/EC of July 11, 2007 on shareholders' rights ("**Lgs. Decree 27/2010**"). In particular, such legislative decree states (i) that those who have the right to vote at the closing of the seventh accounting day of open market prior to the date set for the meeting in first call, or in the only call, are entitled to participate and vote in the meeting, specifying that any credit or debit entries in the accounts subsequent to such date shall have no effects for the purposes of such entitlement and (ii) that the shareholders are entitled to ask questions on the items of the agenda even before the meeting, and the Company must answer such questions during the same meeting at the latest.

Such novelties introduced by Lgs. Decree 27/2010 imply a need to amend articles 2, 4, 5, 9, 10, 11 and 16 of the Meeting Regulation in the following terms.

Article 2

Pursuant to Art. 83-*sexies*, subsections 1 and 2, of Legislative Decree No. 58 of February 24, 1998 (Consolidation Act on Finance, the “**TUF**”), those who have the right to vote, according to the evidence of qualified intermediaries, at the closing of the seventh accounting day of open market prior to the date set for the first-call meeting (so-called *record date*) are entitled to participate and vote in the meeting. Any debit and credit entries in the accounts subsequent to such date have no effects for the purposes of the entitlement to vote. It is therefore proposed to amend art. 2 of the Meeting Regulation in order to specify that such regulation is available both to shareholders and to the persons entitled to participate and vote. Also, it is proposed to specify that the Meeting Regulation is also available on the Company Internet site.

Current Text¹	Proposed text
This Regulation is available to the shareholders at the Company registered office and in the places where meetings are held.	This Regulation is available to the shareholders and to the persons entitled to participate and vote at the Company registered office, on the Company Internet site an in the places where meetings are held.

Article 4

Considering that the exhibition of the certification is not required by the applicable laws for purposes of entitlement to participate and vote, it is proposed to amend art. 4 of the Meeting Regulation in order to permit access to the meeting against personal identification and verification of the entitlement.

Current Text	Proposed text
Those entitled to participate in the Meeting under art. 3, subsection 1 above, shall present to the persons in charge indicated by the Company, upon entering the Meeting venue, the specific certification issued in compliance with the applicable provisions. <i>(Omission)</i>	<i>For the persons mentioned in art. 3, subsection 1 above, access to the Meeting venue shall be permitted against personal identification and verification of the entitlement to participate.</i> <i>(Omission)</i>

Article 5

In light of the introduction of the so-called *record date*, it is proposed to replace the word

¹ For each proposal, the text of the current provisions of the regulation involved in the proposed amendments is reported for comparison, showing the proposed changes in the “proposed text” column, enhanced in bold type, and the parts of text which we propose to remove in the “current text” column, in bold type, crossed out.

“shareholders” with “persons entitled to vote”.

Current Text	Proposed text
<p><i>(Omission)</i></p> <p>Under the direction of the Chairman, an attendance sheet shall be prepared, where the shareholders are identified, with indication of the relevant number of shares.</p>	<p><i>(Omission)</i></p> <p>Under the direction of the Chairman, an attendance sheet shall be prepared, where the persons entitled to vote are identified, with indication of the relevant number of shares.</p>

Article 9

In light of the introduction of the so-called *record date*, it is proposed to replace the word “shareholders” with “persons entitled to vote pursuant to art. 3, subsection 1 above”.

Current Text	Proposed text
<p>The shareholders shall be entitled to speak on any item that is being dealt with.</p> <p><i>(Omission)</i></p>	<p>Those entitled to vote pursuant to art. 3, subsection 1 above shall be entitled to speak on any item that is being dealt with.</p> <p><i>(Omission)</i></p>

Article 10

Pursuant to Art. 127-ter of the TUF, the shareholders are entitled to ask questions on the items of the agenda even before the Meeting. Such questions must be answered during the same Meeting, at the latest. In light of the introduction of such right, it is proposed to amend art. 10 of the Meeting Resolution, in order to provide for the procedures to answer questions received before the Meeting, which have not yet been answered by the Company.

Current Text	Proposed text
<p>The Chairman or, on the invitation of the same, the Meeting Secretary, the Directors and the Statutory Auditors shall reply to speakers at the end of each intervention or after that all interventions on that item of the agenda have been completed or, again, after that two or more items, or even all items, have been dealt with in a joint manner, if this is deemed appropriate by the Chairman.</p>	<p>The Chairman or, on the invitation of the same, the Meeting Secretary, the Directors and the Auditors shall reply to speakers at the end of each intervention or after that all interventions on that item of the agenda have been completed or, again, after that two or more items, or even all items, have been dealt with in a joint manner, if this is deemed appropriate by the Chairman.</p> <p>Within this last time limit, the Chairman or, on the invitation of the same, the</p>

	<i>persons mentioned above, shall also answer any questions received before the Meeting, which have not yet been answered by the Company. Answers may also be formulated in a joint manner, in the terms required by the applicable laws.</i>
--	--

Article 11

It is proposed to amend art. 11 of the Meeting Resolution, in order to allow the Chairman to take into account the number of questions received before the Meeting, which have not yet been answered by the Company, in deciding the time granted to each speaker to take his/her own speech.

Current Text	Proposed text
The Chairman may, taking into account the subject matter and the importance of the single items of the agenda, define a time period – however not exceeding ten minutes – available to each speaker to take his/her speech. After such time period, the Chairman may invite the speaker to conclude within the next two minutes <i>(Omission)</i>	The Chairman may, taking into account the subject matter and the importance of the single items of the agenda, <i>as well as of any questions received before the Meeting, which have not yet been answered</i> , define a time period – however not exceeding ten minutes – available to each speaker to take his/her speech. After such time period, the Chairman may invite the speaker to conclude within the next two minutes <i>(Omission)</i>

Article 16

In light of the introduction of the so-called *record date*, it is proposed to replace the word “shareholders” with “persons entitled to vote”.

Current Text	Proposed text
The Meeting Chairman may decide that the vote on each item of the agenda be taken after that the discussion of each, or several, of them is completed. Before starting the voting operations, the Meeting Chairman shall readmit any shareholders who may have been removed during the discussion. <i>(Omission)</i>	The Meeting Chairman may decide that the vote on each item of the agenda be taken after that the discussion of each, or several, of them is completed. Before starting the voting operations, the Meeting Chairman shall readmit any persons entitled to vote who may have been removed during the discussion. <i>(Omission)</i>

* * * * *

Dear Shareholders,

if you agree with the proposed amendments as formulated above, we invite you to approve the following resolution:

“The ordinary Meeting of the shareholders of ANSALDO STS S.p.A. of April 4 – 5, 2011, having examined the Board of Directors’ Report,

resolves

- a) *to amend articles 2, 4, 5, 9, 10, 11 and 16 of the Meeting Resolution as indicated below:*

Article 2

Current Text	Proposed text
This Regulation is available to the shareholders at the Company registered office and in the places where meetings are held.	This Regulation is available to the shareholders and to the persons entitled to participate and vote at the Company registered office, on the Company Internet site an in the places where meetings are held.

Article 4

Current Text	Proposed text
Those entitled to participate in the Meeting under art. 3, subsection 1 above, shall present to the persons in charge indicated by the Company, upon entering the Meeting venue, the specific certification issued in compliance with the applicable provisions. <i>(Omission)</i>	<i>For the persons mentioned in art. 3, subsection 1 above, access to the Meeting venue shall be permitted against personal identification and verification of the entitlement to participate.</i> <i>(Omission)</i>

Article 5

Current Text	Proposed text
<i>(Omission)</i> Under the direction of the Chairman, an attendance sheet shall be prepared, where the shareholders are identified, with indication of the relevant number of shares.	<i>(Omission)</i> Under the direction of the Chairman, an attendance sheet shall be prepared, where the persons entitled to vote are identified, with indication of the relevant number of

	shares.
--	---------

Article 9

Current Text	Proposed text
<p>The shareholders shall be entitled to speak on any item that is being dealt with. (Omission)</p>	<p><i>Those entitled to vote pursuant to art. 3, subsection 1 above</i> shall be entitled to speak on any item that is being dealt with. (Omission)</p>

Article 10

Current Text	Proposed text
<p>The Chairman or, on the invitation of the same, the Meeting Secretary, the Directors and the Statutory Auditors shall reply to speakers at the end of each intervention or after that all interventions on that item of the agenda have been completed or, again, after that two or more items, or even all items, have been dealt with in a joint manner, if this is deemed appropriate by the Chairman.</p>	<p>The Chairman or, on the invitation of the same, the Meeting Secretary, the Directors and the Auditors shall reply to speakers at the end of each intervention or after that all interventions on that item of the agenda have been completed or, again, after that two or more items, or even all items, have been dealt with in a joint manner, if this is deemed appropriate by the Chairman. <i>Within this last time limit, the Chairman or, on the invitation of the same, the persons mentioned above, shall also answer any questions received before the Meeting, which have not yet been answered by the Company. Answers may also be formulated in a joint manner, in the terms required by the applicable laws.</i></p>

Article 11

Current Text	Proposed text
<p>The Chairman may, taking into account the subject matter and the importance of the single items of the agenda, define a time period – however not exceeding ten minutes – available to each speaker to take his/her speech. After such time period, the Chairman may invite the speaker to conclude within the next two minutes (Omission)</p>	<p>The Chairman may, taking into account the subject matter and the importance of the single items of the agenda, <i>as well as of any questions received before the Meeting, which have not yet been answered</i>, define a time period – however not exceeding ten minutes – available to each speaker to take his/her speech. After such time period, the Chairman may invite the speaker to conclude within the next two</p>

	minutes (<i>Omission</i>)
--	--------------------------------

Article 16

Current Text	Proposed text
<p>The Meeting Chairman may decide that the vote on each item of the agenda be taken after that the discussion of each, or several, of them is completed.</p> <p>Before starting the voting operations, the Meeting Chairman shall readmit any shareholders who may have been removed during the discussion. (<i>Omission</i>)</p>	<p>The Meeting Chairman may decide that the vote on each item of the agenda be taken after that the discussion of each, or several, of them is completed.</p> <p>Before starting the voting operations, the Meeting Chairman shall readmit any persons entitled to vote who may have been removed during the discussion. (<i>Omission</i>)</p>

b) to entrust the Chairman of the Board of Directors and the Chief Executive Officer, even separately and even through special attorneys, for addressing all requirements and formalities however connected with or consequent to this resolution”.

Rome, February 18, 2011

For the Board of Directors
The Chairman
(Alessandro Pansa)