

ANSALDO STS S.p.A.  
REGISTERED OFFICE IN GENOA AT VIA PAOLO MANTOVANI 3-5  
SHARE CAPITAL OF EUR 100,000,000.00 FULLY SUBSCRIBED AND PAID IN  
REGISTRATION IN THE COMPANIES' REGISTER OF GENOA AND TAX CODE: 01371160662  
SUBJECT TO MANAGEMENT AND COORDINATION BY HITACHI LTD.

**Ordinary General Meeting of Shareholders**

**13 May 2016**

*Report of the Board of Directors*

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

**Second item on the agenda:**

***"2. Allocation of the annual net income and distribution of dividends. Related and consequent resolutions"***

Dear Shareholders,

The Board of Directors of Ansaldo STS S.p.A has convened you on single call to the Ordinary General Meeting on 13 May 2016 at 11:00 a.m. at Corso F.M. Perrone 118 (Villa Cattaneo dell'Olmo) in Genoa at the offices of the "ANSALDO FOUNDATION - FINMECCANICA GROUP" to discuss and resolve, *inter alia*, on the proposed allocation of the annual net income resulting from Ansaldo STS S.p.A.'s financial statements for the year ending on 31 December 2015.

The 2015 financial statements closed with a net profit of EUR 35,900,886.62.

The General Meeting is called to resolve on the allocation of the annual net income arising from the above financial statements in accordance with Article 2433 of the Italian Civil Code.

The proposal that we submit for your approval provides as follows: (i) paying a dividend to the Shareholders amounting to EUR 0.18, gross of withholding tax, for each outstanding share with a par value of EUR 0.50 and with dividend rights; (ii) using the entire net income for the financial year and profits carried over for the outstanding amount.

This proposal does not provide for any provision to the legal reserve, because this reserve already totals EUR 20,000,000.00, which is equal to 20% of the share capital, the maximum amount permitted under Article 2430 of the Italian Civil Code.

Therefore, we hereby propose to use the entire net income from the last financial year amounting to EUR 35,900,886.62 and profits carried over amounting to EUR 99,113.38 for an aggregate amount of EUR 36,000,000.00, which is to be allocated to the Shareholders, by paying a dividend of EUR 0.18, gross of withholding tax, for each of the 200,000,000 outstanding shares with dividend rights, with *ex date* of 23 May 2016 and payment date since 25 May 2016. Under Article 83-*terdecies* of Legislative Decree No. 58 of 24 February 1998, the entitlement to dividend payment is authorised by reference to the intermediary's accounts under Article 83-*quater*, paragraph 3 of the same Legislative Decree No. 58 of 24 February 1998, at the end of the accounting day on 24 May 2016 (the "*record date*").

The total amount of dividends, the allocation of which is hereby proposed, corresponds to 36% of the share capital and approximately 39% of the Group's consolidated profit for financial year 2015, which amounts to EUR 93,227,959.06 and comprises all of Ansaldo STS S.p.A.'s net profits for financial year 2015 and EUR 99,113.38 for the use of profits carried over.

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

*"Ansaldo STS S.p.A.'s Ordinary General Meeting, having examined and discussed the Board of Directors' proposal, as presented in the report on the second item on today's Meeting agenda,*

*resolves*

- *to approve the Board of Director's proposal to use the entire net income for the last financial year, amounting to EUR 35,900,886.62 and profits carried over amounting to EUR 99,113.38, for an aggregate amount of EUR 36,000,000.00, which are to be allocated to the Shareholders by paying a dividend of EUR 0.18, gross of withholding tax, for each of the 200,000,000 outstanding shares with dividend rights, with ex date of 23 May 2016, and payment date since 25 May 2016. Under Article 83-terdecies of Legislative Decree No. 58 of 24 February 1998, the entitlement to dividend payments is authorised by reference to the intermediary's accounts under Article 83-quater, paragraph 3 of the same Legislative Decree No. 58 of 24 February 1998, at the end of the accounting day on 24 May 2016 (the "record date"); and*
- *in the event that any transaction involving the purchase of own shares is carried out before the ex date, to authorise the Chairman of the Board of Directors and the Chief Executive Office , severally, to allocate and/or withdraw from the profits carried over the amount of ordinary dividends to which such shares are entitled".*

Genoa, 2 April 2016

For the Board of Directors

The Chairman

(Alistair Dormer)