REPORT OF THE BOARD OF DIRECTORS

ON REMUNERATION

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

APPROVED BY THE BOARD OF DIRECTORS OF ANSALDO STS S.P.A.

ON 7TH MARCH 2014

GLOSSARY

Ansaldo STS	Ansaldo STS S.p.A.
Corporate Governance Code, or Code	The Corporate Governance Code for listed companies approved in December 2011 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A.
Nomination and Remuneration Committee, or Committee	The Nomination and Remuneration Committee established by Ansaldo STS pursuant to the Code. The Committee adopted that name on 18 December 2012; it was previously known as the “Remuneration Committee”.
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)
Rule of the Market Instructions	The Instructions accompanying the Rules of the Markets organized and managed by Borsa Italiana S.p.A.
Remuneration Policy, or Policy	The Remuneration Policy for financial year 2013, approved by the Board of Directors and described in Section I 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 report on remuneration, prepared pursuant to articles 123-*ter* of the Consolidation Act on Finance [TUF] and 84-*quater* of the Issuers Regulation.
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

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

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

The Remuneration Policy, as described in this section of the Report, is submitted for a non-binding resolution of the General Meeting, convened pursuant to Article 2364, paragraph two 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 Executive Director 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 formed 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 Regulation. 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 then Remuneration Committee appointed by the Board of Directors on 5th April, 2011 were the independent directors Maurizio Cereda (Chairman), Giovanni Cavallini and Filippo Milone. Thereafter, the director Filippo Milone resigned from the Board of Directors and from the Committee, effective from 13 December 2011. On 30 March 2012, the Board of Directors co-opted Bruno Pavesi as director to replace Mr. Milone, and appointed him as a member of Remuneration Committee. The Board of Directors confirmed Mr. Pavesi's appointment as a member of the Committee on 23 May 2012, following the General Meeting held on 7 May 2012, which confirmed his appointment as Member of the Board of Directors.

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

- submit proposals to the Board of Directors on the remuneration policy for directors and managers having strategic responsibilities, if any;
- make periodical evaluations of the adequacy, overall consistency and actual implementation of the remuneration policy mentioned in the preceding item, making use of the information provided by the Executive Director 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 Executive Director relevant to the general remuneration and incentive policy, as well as to the management development systems and plans, for the key resources of the Group and the directors vested with powers of the Group companies;
- assist the Company top management in defining the best policy for handling the managerial resources of the Group;
- propose share-based remuneration plans in favour of Directors and Managers of the Company and of the other Group companies and the relevant implementing regulations, carrying out the tasks reserved to it for the management of the plans adopted by the Company case by case;
- report to the Company's shareholders on the way in which it carries out its duties.

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

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

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

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

D) Aims of the Remuneration Policy, underlying principles and changes in such policy, if any, from the year 2013

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 Executive Director and General Manager and of the Managers with Strategic Responsibilities, aims to:

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

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

Compared to the Remuneration Policy for the financial year 2013, which was approved by the Board of Directors on 5 March 2013 and submitted to the non-binding resolution of the Shareholders on 6 May 2013, the Remuneration Policy for the financial year 2014 - essentially unchanged - contains the following changes:

- account has been taken of the introduction of the office of General Manager within the company's organisational structure, and of the transfer of that office to the Executive Director;

- in line with the proposed resolution to be submitted for approval at the ordinary General Meeting of 15 April, 2014, it was envisaged that the remuneration of the Executive Director pursuant to Article 2389, paragraph 3 of the Civil Code be determined in accordance with the provisions of Article 23-*bis* of Decree Law no. 201/2011 concerning the reduction of the remuneration of executive directors of listed companies controlled by public administrations; however, the Company already made this adjustment upon the appointment of Mr. Siragusa as Executive Director and General Manager, with effect from 1st January 2014;
- save for cases of dismissal for just cause and resignation without just cause, it was decided to grant the Executive Director and General Manager an indemnity for termination and/or intercourse or non-renewal of office for an amount not exceeding 24 months' remuneration for the offices of Executive Director and General Manager.

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 Executive
Director and of the Managers with Strategic Responsibilities in the event that no variable component is paid.

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

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

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

- that shares, options and any other right assigned to the directors 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:

- a fixed component consisting:
  (i) for the Executive Director and General Manager:
    - of the fee approved by the ordinary General Meeting upon appointment for the office of member of the Board of Directors;
    - 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 Company manager; and

- of the fee approved by the Board of Directors on a proposal of the Nomination and Remuneration Committee, for the office of General Manager;

(ii) for non-executive Directors, of the fee approved by the ordinary General Meeting upon appointment for the office of member of the Board of Directors; and

(iii) for Managers with Strategic Responsibilities, of the annual fixed gross remuneration under the individual contract signed by the Managers with Strategic Responsibilities, in compliance with the provisions of the applicable collective bargaining regulations;

- a variable component, both for the Executive Director 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 (so-called *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 structured 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 Executive Director and General Manager and of the Managers with Strategic Responsibilities. In addition, the MBO may provide that *(i)* if the predefined budget is achieved, a proportion of the incentive be paid, equal to at least 50% of the maximum value that may be allocated and *(ii)* if the targets predefined in the budget are increased, the maximum amount of the incentive be paid;

b) of a medium-long term cash incentive (so-called *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 be equal to the fixed component of the plan beneficiaries' remuneration.

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

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

- 25% of the incentive for the first year of the cycle;
- 25% of the incentive for the second year of the cycle; and

- the remaining 50% at the end of the three years.

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

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

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

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

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

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

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

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

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

   As for the vesting period, the Stock Grant Plan shall provide – in line with the recommendations of the Corporate Governance Code – for a three-year vesting period, rolling, 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 Executive Director 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.

Notwithstanding the above, in line with the proposed resolution that will be submitted for the approval of the ordinary General Meeting of 15 April, 2014, the remuneration of the Executive Director pursuant to Article 2389, paragraph 3 of the Civil Code should be determined in accordance with the provisions of Article 23-*bis* of Decree Law no. 201/2011, as supplemented by

Decree Law no. 69/2013, concerning the reduction of the remuneration of the executive directors of listed companies controlled by public administrations (including *"all State administrations"*) that issue equity securities listed in regulated markets. To this end it should be noted that, pursuant to paragraph 5-*quinquies* of Article 23-*bis* of Decree Law no. 201/2011, at the time of renewal of the boards of directors of those companies, including Ansaldo STS, a proposal must be submitted for the approval of the shareholders' General Meeting relating to the remuneration of executive directors which - in accordance with provisions of the new paragraph 5-*quater* of the same article - provides that the remuneration referred to in Article 2389, paragraph 3 of the Civil Code cannot exceed 75% of the total remunerations, however determined, including remunerations for any contracts of employment with the same company, during the term of office prior to the renewal of the office.

Pursuant to the new paragraph 5-*sexies* of Article 23-*bis,* the aforementioned obligation applies only to the first renewal of the boards of directors subsequent to the date of entry into force of Decree Law no. 69/2013 [i.e. after 21 August, 2013]. The Company, however, already put in place that adjustment on the appointment of Mr. Siragusa as Executive Director and General Manager, with effect from 1st January 2014.

F) Non-monetary benefits policy

The Remuneration Policy contains no provisions regarding non-monetary benefits. To the Executive Director and General Manager and the Managers with Strategic Responsibilities are granted the use of the corporate car for both business and private use and, if needed, the use of a lodging, even for limited periods according to practices used in the Company for other Managers.

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

See letter *E)*.

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

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

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

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

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

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

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

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

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

Subject to letter *E)* with regard to the mechanisms for recovery of any underperformance registered in previous years, as well as for carrying over to subsequent years any over-performance registered in previous years, the Remuneration Policy has not arranged any *ex post* correction mechanisms.

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 Executive Director 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 compensations 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 and the Managers with Strategic Responsibilities, granting indemnities in the event of resignation or dismissal/termination without just cause or cessation of the employment relationship in consequence of a takeover bid, save as specified below in relation to the Executive Director and General Manager.

Except in the case of voluntary resignation from office and/or from the employment relationship 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 grant the Executive Director and General Manager an indemnity for termination and/or intercourse or non-renewal of office; this indemnity may not exceed 24 months' total remuneration for the offices of Executive Director and General Manager.

Subject to the above, the compensation applicable to cessation from office or termination of the employment relationship 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 Executive Director and 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.C.1of the Corporate Governance Code, the Executive Director 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 his office as Chief Operating Officer in Finmeccanica S.p.A.

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 Chairperson and Deputy Chairperson 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 2013 BY THE MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS AS WELL AS BY MANAGERS WITH STRATEGIC RESPONSIBILITIES

This section of the Report illustrates, name by name, the fees owed for 2013 to the members of the Board of Directors and the Board of Statutory Auditors, as well as the aggregate for 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 2013 remuneration for the members of the Board of Directors and the Board of Statutory

Auditors as well as Managers with Strategic Responsibilities.

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

1.1 Board of Directors

1.1.1 Executive Director

In 2013, the office of Executive Director was held by the Director Sergio De Luca, who had been reconfirmed in such role after the appointment of the Board of Directors by the ordinary General Meeting of 5 April 2011.

On 11 December, 2013, the Director Sergio De Luca resigned as Executive Director with effect from 1 January 2014. Mr. De Luca also resigned as manager of the Company with effect from the same date.

As a consequence of this resignation of Mr. De Luca as Executive Director, the Board of Directors appointed the Director Stefano Siragusa as the new Executive Director - co-opted by the Board following the resignation of the Director Giancarlo Grasso, again with effect from 1 January 2014.

A description follows of each of the items comprising Mr. de Luca's remuneration for 2013.

- Fixed component for the office of member of the Board of Directors, consisting of:
  - a fee of Euro 50,000.00 ([1]), as resolved by the General Meeting on 5 April 2011;
  - a fee of Euro 400,000.00, approved by the Board of Directors on 3 July 2009, as proposed by the then Remuneration Committee, after hearing the opinion of the Board of Statutory Auditors, received as Company manager.
- Non-monetary benefits: corporate car, insurance and social-security coverage under the national collective bargaining agreement applied to the category, for a total value of Euro 64,768.19.
- Variable component: a significant portion of the remuneration of Mr. de Luca was linked to the achievement of specific performance targets of the Company. In particular, in 2013 Mr. de Luca was a beneficiary of the following plans:
  - MBO plan for 2013, of one year's duration, subject to the achievement of the following performance targets at the end of 2013: EBIT, FOCF, EVA, value of orders acquired and achievement of certain structural costs and specific quantity-quality targets. The achievement of the targets was verified after the approval of the draft financial statements and of the consolidated financial statements for 2013. The incentive accrued, equal to Euro 53,600.00, will be paid in 2014;
  - LTIP plan for 2011-2013, subject to the achievement for each financial year, of the following performance targets: (i) Net Result as access threshold; (ii) ROS and value of the Orders. For the portion of the incentive referring to 2013, the achievement of the targets was verified after the approval of the draft financial statements and consolidated financial statements for 2013. Since the access threshold has not been reached, no incentive will be paid in 2013. In any case, please note that the LTIP plan for 2011-2013 envisaged that the payment of this incentive would occur during 2014, subject to the achievement of the targets;
  - LTIP plan for 2012-2014, subject to the achievement for each financial year, of the following performance targets: (i) Net Result as access threshold; (ii) ROI and working capital. For the portion of the incentive referring to 2013, the achievement of the targets was verified after the approval of the draft financial

[1] Please note that Mr.De Luca waived his right to this fee.

statements and consolidated financial statements for 2013. Since the access threshold was not reached, no incentive will be paid in 2013. In any case, please note that the LTIP plan for 2012-2014 envisaged, due to the annual vesting, that the payment of this incentive would occur during 2015, subject to the achievement of the targets;

- LTIP plan for 2013-2015, subject to the achievement for each year, of the following performance targets: (i) Net Result as access threshold; (ii) ROI and working capital. For the portion of the incentive referring to 2013, the achievement of the targets was verified after the approval of the draft financial statements and consolidated financial statements for 2013. Although the access threshold was reached, no incentive will be paid, since the performance targets were not reached (revenue and ROI). In any case, please note that the LTIP plan for 2013-2015 envisaged, due to the annual vesting, that the payment of this incentive would occur during 2015, subject to the achievement of the targets;
- Stocks Grant Plan 2012-2013 (SGP 2012-2013), subject to the achievement of the performance targets indicated in the "*Informative Document, drafted under Article 84-bis, paragraph 1, of the Issuers Regulation, relevant to the stocks grant plan of Ansaldo STS S.p.A.*", available at http://www.ansaldo-sts.com.

  In relation to that plan, with reference to 2013, the Board of Directors meeting held on 28 June 2012 set at 35,939 the maximum number of shares that may be allocated to the Executive Director under that plan. The achievement of the targets was verified after the approval of the draft financial statements and consolidated financial statements for 2013. The shares accrued with reference to the financial year 2013 were 11,552, including the increments linked to the third and fourth *tranche* of the capital increase and they will be allocated in 2016. The SGP for 2012-2013 also provides for a two-year lock-up period with respect to 20% of the shares assigned.

In relation to the variable component of the remuneration of Mr. De Luca, as described above, the following should be noted.

The regulations of the MBO plan for 2013, the LTIP Plans for 2011-2013, 2012-2014 and 2013-2015 and the SGP for 2012-2013 provide that the beneficiary of the incentive should be in office or should not have resigned at the time of the payment. However, the Board of Directors may still, on the proposal of the Nomination and Remuneration Committee, pass resolutions that are more favourable to the beneficiary, taking into account each individual case. The right to payment remains in case of voluntary termination. To the extent permitted by the Plans' Regulation, after the resignation of Mr. De Luca, the Nomination and Remuneration Committee considering that Mr. De Luca has been Executive Director and Manager of ASTS until the end of financial year 2013 and that the same continues to hold the office of Director of the Company in the role of the Chairman and given also the significant commitment that has always characterized Mr. De Luca - proposed that the Board of Directors should pay him all the incentives accrued with reference to the financial year 2013 . Accepting the Committee's proposal, the Board of Directors therefore resolved to pay Mr. De Luca the portion of the incentive remuneration determined after the approval of the financial statements to 31 December 2013 - as reported above - and the corresponding amount was consequently paid to him, net of applicable legal expenses and within the necessary technical time frames that accord with company practice applied to payments of this kind.

Mr. De Luca will no longer participate in the LTIP Plans for 2012-2014 and 2013-2015 for the financial years subsequent to 2013.

Subject to the foregoing, compensations in the event of cessation from office are described in the following paragraphs.

1.1.2 Chairperson of the Board of Directors

The remuneration of the Chairperson 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 2013, the office as Chairman of the Board of Directors was held (i) for the period from 1st January, 2013 to 6th May, 2013, by the Director Alessandro Pansa. The latter, on 5 March, 2013, resigned from his position as Chairman and member of the Board of Directors of Ansaldo STS S.p.A., with effect from the close of the General Meeting of 6th May, 2013, called to approve the financial statements at 31st December, 2012, and (ii) thereafter, by the Director Luigi Calabria who held the office of Chairman until 31st December 2013.

On 11th December, 2013, the Director Luigi Calabria resigned as Chairman of the Board of Directors with effect from 1st January 2014. Following this resignation, the Board of Directors appointed the Director Sergio De Luca as the new Chairman of the Board of Directors, again with effect from 1st January 2014.

The remuneration for the office of Chairman for 2013 was Euro 75,000.00, paid *pro rata temporis* as follows (i) Euro 26,250.00 ([2]) to the Director Alessandro Pansa, and (ii) Euro 48,750.00 to the Director Luigi Calabria.

No compensations are to be paid in the event of cessation from office.

1.1.3 Deputy Chairperson of the Board of Directors

In 2013, the office of Deputy Chairman of Ansaldo STS was held by the non-executive Director Giancarlo Grasso, appointed by the Meeting on 5 April 2011.

On 11th December, 2013, the Director Giancarlo Grasso resigned as Deputy Chairman and member of the Board of Directors of Ansaldo STS S.p.A., with effect from 1 January 2014. Consequently, the Board of Directors appointed the Director Luigi Calabria as the new Deputy Chairman of the Board of Directors, again with effect from 1st January 2014.

For the financial year 2013, the Deputy Chairman Mr. Grasso received a fee of Euro 50,000.00 as remuneration for the office of member of the Board of Directors, as resolved by the General Meeting on 5 April 2011.

No compensations are to be paid in the event of cessation from office.

1.1.4 Other members of the Board of Directors

In 2013, the following Directors were members of the Board of Directors, apart from the Directors Sergio De Luca, Alessandro Pansa, Luigi Calabria and Giancarlo Grasso:

- Maurizio Cereda, Attilio Salvetti, Giovanni Cavallini, Paola Girdinio and Tatiana Rizzante, appointed by the General Meeting of 5th April 2011;
- Bruno Pavesi, co-opted by the Board of Directors of 30th March 2012 to replace outgoing Director, Filippo Milone, who left office on 13th December 2011. Mr. Pavesi's appointment was then confirmed by the ordinary General Meeting held on 7th May 2012.

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.

[2] Please note that Mr. Pansa waived his right to this fee.

For 2013, the Directors Cereda, Salvetti, Cavallini, Girdinio, Pavesi and Rizzante received a fee of Euro 50,000.00 each for the office of member of the Board of Directors, as resolved by the General Meeting held on 5 April 2011.

1.1.5 Members of Internal Committees of the Board of Directors

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

In 2013, the Control and Risk Committee was composed of the following members of the Board of Directors:

- Attilio Salvetti (Chairman): the fee for his participation in the Committee in 2013 was Euro 25,000.00 as determined by the Board of Directors on 5th April 2011;
- Maurizio Cereda: the fee for his participation in the Committee in 2013 was Euro 20,000.00 as defined by the Board of Directors on 5th April 2011;
- Paola Girdinio: the fee for her participation in the Committee in 2013 was Euro 20,000.00 as defined by the Board of Directors on 5th April 2011.

In 2013, the Nomination and Remuneration Committee was composed of the following members of the Board of Directors:

- Maurizio Cereda (Chairman): the fee for his participation in the Committee in 2013 was Euro 25,000.00 as defined by the Board of Directors on 5th April 2011;
- Giovanni Cavallini: the fee for his participation in the Committee in 2013 was Euro 20,000.00 as defined by the Board of Directors on 5th April 2011;
- Bruno Pavesi: the fee for his participation in the Committee in 2013 was Euro 20,000.00 as defined by the Board of Directors on 5th April 2011.

1.2 Board of Statutory Auditors

In 2013, the Board of Statutory Auditors was composed of the following statutory auditors:

- Giacinto Sarubbi (Chairman), appointed by the General Meeting of 1 April 2008 and confirmed by the General Meeting of 5th April 2011; the fee for 2013 was Euro 75,000.00 plus a lump-sum of Euro 15,000.00 for attending the Board committee meetings, as resolved by the Meeting of 5th April 2011;
- Renato Righetti, appointed by the Meeting of 5th April 2011; the fee for 2013 was Euro 50,000.00 plus a lump-sum of Euro 10,000.00 for attending the Board committee meetings, as resolved by the Meeting of 5th April 2011;
- Massimo Scotton, appointed by the Meeting of 1 April 2008 and confirmed by the Meeting of 5th April 2011; the fee for 2013 was Euro 50,000.00 plus a lump-sum of Euro 10,000.00 for attending the Board committee meetings, as resolved by the Meeting of 5th April 2011.

1.3 Managers with Strategic Responsibilities

In 2013, the Company identified as Managers with Strategic Responsibilities the *Business Signalling* unit manager (Emmanuel Viollet), the *Transportation Solutions Business* unit manager (position held on *ad interim* by Sergio De Luca until 31 December 2013) and the *Standard Product & Platform* unit manager (Giuseppe Gaudiello).

On 20th 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: the *Chief Operating Officer* of the Company (Christian Andi), the *Business Mass Transit & Railway* unit manager (Giuseppe Gaudiello) and the *Business Freight* unit manager (Michele Fracchiolla).

Please note that the fees indicated for the Managers with Strategic Responsibilities are the aggregate, inasmuch as, in 2013, none of the Managers with Strategic Responsibilities received total fees of more than the highest total fee received by members of the Board of Directors and of the Board of Statutory Auditors.

Below is a description of each of the items that comprised the remuneration of the Managers with Strategic Responsibilities in 2013.

- 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 Euro 387,233.00.
- 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 Euro 26,425.12.
- Variable component: a significant portion of the remuneration of the Managers with Strategic Responsibilities is linked to the achievement of specific performance targets of the Company. In particular, in 2013 the Managers with Strategic Responsibilities were the beneficiaries of the following plans:
  - MBO plan for 2013, of one year's duration, subject to the achievement at the end of 2013, of the following performance targets: EBIT, FOCF, EVA**,** and achievement of specific quantity-quality targets. The achievement of the targets was verified after the approval of the draft financial statements and of the consolidated financial statements for 2013. The incentive accrued, amounting to a total of Euro 44,109.00, will be paid in 2014;
  - LTIP plan for 2012-2014, subject to the achievement for each year, of the following performance targets: (i) Net Result as access threshold; (ii) ROI and working capital. For the portion of the incentive referring to 2013, the achievement of the targets was verified after the approval of the draft financial statements and consolidated financial statements for 2013. Since the access threshold was not reached, no incentive will be paid for 2013. In any case, please note that the LTIP plan for 2012-2014 envisaged, due to the annual vesting, that the payment of this incentive would occur during 2015, subject to the achievement of the targets;
  - LTIP plan for 2013-2015, subject to the achievement for each year, of the following performance targets: (i) Net Result as access threshold; (ii) ROI and working capital. For the portion of the incentive referring to 2013, the achievement of the targets was verified after the approval of the draft financial statements and consolidated financial statements for 2013. Although the access threshold was reached, no incentive will be paid insomuch as the performance targets were not reached (revenue and ROI). In any case, please note that the LTIP plan for 2013-2015 envisaged, due to the annual vesting, that the payment of this incentive would occur during 2015, subject to the achievement of the targets;
  - Stocks Grant Plan2012-2013 (SGP 2012-2013), subject to the achievement of the performance targets indicated in the "*Informative Document, drafted under Article 84-bis, paragraph 1, of the Issuers Regulation, relevant to the stocks grant plan of Ansaldo*

STS S.p.A.", available at http://www.ansaldo-sts.com.

In relation to that plan, with reference to the financial year 2013, the Board of Directors meeting held on 28 June 2012 set at 34,641 the maximum number of shares that may be allocated to the Manager with Strategic Responsibilities under that plan. The achievement of the targets was verified after the approval of the draft financial statements and consolidated financial statements for 2013. Shares accrued for 2013 are 11,134 , including the increments linked to the third and fourth *tranche* of the capital increase and they will be allocated in 2016. The SGP for 2012-2013 also provides for a two-year lock-up period for 20% of the shares assigned.

With reference to 2013, as managers of Ansaldo-STS and/or of companies of the group deemed to be key resources, the Managers with Strategic Responsibilities were beneficiaries of:

- an LTIP plan for 2011-2013 subject to the achievement for each year, of the following performance targets: (i) Net Result as access threshold; (ii) ROS and value of the Orders. For the portion of the incentive referring to 2013, the achievement of the targets was verified after the approval of the draft financial statements and consolidated financial statements for 2013. Since the access threshold has not been reached, no incentive will be paid in 2013.

Compensations in the event of early termination of the employment relationship 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 for the case of early termination of the employment contract

Subject to above subsection 1.1.1, there are no specific agreements in force providing for an indemnity for the case of early termination of the employment contract, save as provided for below.

As specifically regards the Executive Director and the Managers with Strategic Responsibilities, the SGP 2012 – 2013 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 occur prior to the delivery of the shares involved in the plan, exclusion from the plan will be automatic; accordingly, the allocation of the shares to the participants in the plan (Executive Director and Managers with Strategic Responsibilities) shall be deemed to be cancelled to 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 relationship shall be immediately cancelled and devoid of any further effect;
- 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 occur prior to the date of expiry of the Plan validity, the Committee shall redefine the targets whose achievement is the precondition for the attribution of the shares allocated, 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 relationship 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 we note, for the sake of completeness, that following the appointment of the new Executive Director, Mr. Siragusa, with effect from 1st January 2014, the Board of Directors resolved as follows on 16 December, 2013, having consulted with the Nomination and Remuneration Committee:

In the event of early cessation of office due to:

- termination without just cause and/or dismissal without just cause;
- voluntary resignation by the Director Stefano Siragusa for just cause, a gross indemnity will be paid equal to 24 months' total remuneration, calculated as the sum:
    - of the annual fixed remuneration paid to the Director Stefano Siragusa as Executive Director and General Manager;
    - 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. Provided that, if the early cessation occurs during 2014 and before 31 December, 2014, the Director Stefano Siragusa will be paid a gross indemnity amounting to 24 months of the total Annual Gross Remuneration (fixed component) received by him as Executive Director or General Manager, excluding any variable economic component, however described, subject to the more favourable opinion (if any) of the Nomination and Remuneration Committee.

In the event of cessation, if the office of Director Stefano Siragusa is renewed while he is in office then he will be paid - at the natural expiry of the following term (and thus at the expiry of the three year period 2014 -2016) - a gross indemnity equal to 18 months of the average of the total amounts received (again excluding the SGP) by Mr. Siragusa for his role within the organisational structure and as employee in the two years prior to the cessation.

Finally, in the event of non-renewal at the expiry of the current term (April 2014), the director Stefano Siragusa will be paid a gross indemnity amounting to 24 months of the Annual Gross Remuneration alone (fixed component), excluding any other fixed or variable economic component, however described.

In relation to payment, the aforementioned indemnities, when granted/due, will be paid only if the following basic preconditions are met:

- the valid, definitive and simultaneous cessation of the office of Executive Director, director of the Board of Directors and of the employment relationship and of all relationships of the Director Stefano Siragusa with the Company and the other Group companies; and
- the signature of a written deed pursuant to Articles 410 and 411 of the Code of Civil Procedure, wherein the Director Stefano Siragusa definitively waives any right, action and/or claim against the Company and the Group companies.

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

The Company has also signed a non-competition agreement with the Director Stefano Siragusa, containing the following essential terms: duration: 12 months; geographic area: Europe (including Turkey) and North America; sector: transport and any sector in which Ansaldo STS' competitors operate. The consideration for this agreement is already included in the fixed remuneration paid to the Director Stefano Siragusa as an employee of the Company acting in the capacity of its General Manager.

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 compensation plans adopted by the Company under Articles 114-*bis* of the TUF are available in the "*Governance*" – "*Governance Documents*" section of the Company's website (www.ansaldo-sts.com).

Attached to this report are indicated the tables containing the status of implementation of SGP 2012-2013

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PART TWO - TABLES

The following tables detail the fees of the members of the Board of Directors and of the Board of Statutory Auditors and of the Managers with Strategic Responsibilities, paid or to be paid by the Company or by its subsidiaries and affiliates with reference to the financial year 2013.

Genoa, 7 March 2014

For the Board of Directors

The Chairman

(Sergio De Luca)

Table 1: Fees paid to the members of the Board of Directors, the Board of Statutory Auditors and the Managers with Strategic Responsibilities in 2013*

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
							Bonusses and other incentives	Participation in the profits					
Figures in Euro													
Alessandro Pansa	BoD Chairman	01.01.2013-06.05.2013	Cessation from office on 06.05.2013	*Fees in Ansaldo STS*	26,250[1]	-	-	-	-	-	26,250[1]	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	26,250[1]	-	-	-	-	-	26,250[1]	-	-
Luigi Calabria	BoD Chairman	06.05.2013 – 31.12.2013	Meeting for approval of fin. statements for 2013	*Fees in Ansaldo STS*	48,750	-	-	-	-	-	48,750	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	48,750	-	-	-	-	-	48,750	-	-
Giancarlo Grasso	Deputy Chairman of BoD	01.01.2012-31.12.2013	Cessation of office on 31.12.2013	*Fees in Ansaldo STS*	50,000	-	-	-	-	-	50,000	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	50,000	-	-	-	-	-	50,000	-	-
Sergio De Luca	Executive Director[2]	01.01.2013-31.12.2013	Meeting for approval of fin. statements for 2013	*Fees in Ansaldo STS*	482,891 [3]	-	53,600 [4]	-	64,768.19	-	601,259.19	266,660 [5]	-
				Fees in subsidiaries and affiliates						-	-	-	-
				Total	482,891 [3]	-	53,600 [4]	-	64,768.19	-	601,259.19	266,660 [5]	-
Giovanni Cavallini	Director and NRC Member	01.01.2013-31.12.2013	Meeting for approval of fin. statements for 2013	*Fees in Ansaldo STS*	50,000	20,000	-	-	-	-	70,000	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	50,000	20,000	-	-	-	-	70,000	-	-
Maurizio Cereda	Director and CRC and NRC Member	01.01.2013-31.12.2013	Meeting for approval of fin. statements for	*Fees in Ansaldo STS*	50,000	45,000[6]	-	-	-	-	95,000	-	-
				Fees in	-	-	-	-	-	-	-	-	-

* Please note that, with the exception of the Executive Director's fixed fees and non-monetary benefits, 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 2013, will be paid in 2014.

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
							Bonusses and other incentives	Participation in the profits					
Figures in Euro													
			2013	*subsidiaries and affiliates*									
				Total	50,000	45,000[6]	-	-	-	-	95,000	-	-
Paola Girdinio	Director and CRC Member	01.01.2013-31.12.2013	Meeting for approval of fin. statements for 2013	*Fees in Ansaldo STS*	50,000	20,000	-	-	-	-	70,000	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	50,000	20,000	-	-	-	-	70,000	-	-
Tatiana Rizzante	Director	01.01.2013-31.12.2013	Meeting for approval of fin. statements for 2013	*Fees in Ansaldo STS*	50,000	-	-	-	-	8,750[7]	58,750	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	50,000	-	-	-	-	8,750[7]	58,750	-	-
Attilio Salvetti	Director and CRC Member	01.01.2013-31.12.2013	Meeting for approval of fin. statements for 2013	*Fees in Ansaldo STS*	50,000	25,000	-	-	-	-	75,000	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	50,000	25,000	-	-	-	-	75,000	-	-
Bruno Pavesi	Director and NRC Member	01.01.2013-31.12.2013	Meeting for approval of fin. statements for 2013	*Fees in Ansaldo STS*	50,000	20,000	-	-	-	-	70,000	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	50,000	20,000	-	-	-	-	70,000	-	-
Giacinto Sarubbi	Chairman of the Board of Statutory Auditors	01.01.2013-31.12.2013	Meeting for approval of fin. statements for 2013	*Fees in Ansaldo STS*	75,000	15,000	-	-	-		90,000	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	75,000	15,000	-	-	-		90,000	-	-
Renato Righetti	Statutory Auditor	01.01.2013-31.12.2013	Meeting for approval of fin. statements for 2013	*Fees in Ansaldo STS*	50,000	10,000	-	-	-		60,000	-	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	50,000	10,000	-	-	-		60,000	-	-
Massimo	Statutory	01.01.2013-	Meeting for approval of fin.	*Fees in Ansaldo STS*	50,000	10,000	-	-	-		60,000	-	-

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
							Bonusses and other incentives	Participation in the profits					
Figures in Euro													
Scotton	Auditor	31.12.2013	statements for 2013	*Fees in subsidiaries and affiliates*	-	-	-	-	-	-	-	-	-
				Total	50,000	10,000	-	-	-		60,000	-	-
Managers with Strategic Responsibilities	-	-	-	*Fees in Ansaldo STS*	405,231 [8]	-	44,109	-	26,425.12	-	475,765.12	257,028[5]	-
				Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-
				Total	405,231 [8]	-	44,109	-	26,425.12	-	475,765.12	257,028[5]	-

[1] Please note that, as stated in paragraph 1.1.2 above in the first part of the Second Section of the Report, Mr. Pansa waived this fee.

[2] Office held until 31 December 2013. In relation to the variable fee for Mr. De Luca, specified in this table, see subsection 1.1.1 of Section II.

[3] Of which:

- Euro 50,000, waived by Mr. De Luca, as fixed fee resolved by the Shareholders' General Meeting on 5th April 2011 for the office of Director;
- Euro 400,000, as fixed fee assigned to Mr. De Luca by the Board of Directors on 3July 2009, on a proposal of the Remuneration Committee, after hearing the opinion of the Board of Statutory Auditors, as Company manager;
- Euro 26,035 as employment remuneration, with particular regard to holidays and other allowances;
- Euro 6,856 as lump-sum reimbursement for expenses.

[4] Relevant to the MBO 2013 plan, whose targets were achieved in 2013; this amount will be paid in 2014.

[5] *Fair value* based on the maximum number of shares that may be allocated under the 2012-2013 Stock grant plan, with reference to 2013.

[6] Of which: (i) Euro 20,000 as member of the Control and Risk Committee (formerly Internal Control committee); and (ii) Euro 25,000 as Chairman of the Nomination and Remuneration Committee.

[7] Fee for the office of member of the Supervisory Body, pursuant to Italian Legislative Decree no. 231/2001, held from 1st January 2013 to 6 May 2013.

[8] Of which:

- Euro 387,233 as fixed component comprised of 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;
- Euro 14,737 as employment remuneration, with particular regard to holidays and other allowances;
- Euro 3,261 as lump-sum reimbursement for expenses.

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

				Financial instruments allocated in previous years, not *vested* during the year		Financial instruments allocated during the year					Financial instruments *vested* during the year and not allocated	Financial instruments *vested* during the year that may be allocated		Financial instruments accrued during the year
First name and surname	**Office**		**Plan**	**no. and type of financial instrument**	***Vesting* period**	**no. and type of financial instrument**	***Fair value* at the date of allocation (Euro)**	***Vesting* period**	**Date of allocation**	**Market price at the allocation date (Euro)**	**no. and type of financial instrument**	**no. and type of financial instrument**	**Value at accrual date**	***Fair Value* (Euro)**
Sergio De Luca	Executive Director[1]	*Fees in Ansaldo STS*	Stocks Grant Plan 2012-2013 (Gen. Meeting of 07.05.2011)	17,969[2]	Three years	35,939[3]	7.42	Three years	7 May 2012 [4]	-	_	_	_	266,660[7]
		Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-	-	-	-
		Total	-	17,969[2]	Three years	35,939[3]	7.42	Three years	7 May 2012 [4]	-	_	_	_	266,660[7]
Managers with Strategic Responsibilities		*Fees in Ansaldo STS*	Stocks Grant Plan 2012-2013 (Gen. Meeting of 07.05.2012)	17,320[5]	Three years	34,641[6]	7.42	Three years	7May 2012 [4]	-	_	_	_	257,028 [7]
		Fees in subsidiaries and affiliates	-	-	-	-	-	-	-	-	-	-	-	-
		Total	-	17,320[5]	Three years	34,641[6]	7.42	Three years	7 May 2012 [4]	-	_	_	_	257,028 [7]

(1) Office held until 31 December 2013. In relation to the allocation of financial instruments to Mr. De Luca, see subsection 1.1.1 of Section II.

(2) Maximum number of shares that may be allocated under the 2012-2013 Stock grant plan. There were 17,327 shares accrued with reference to 2012, including the increment linked to the third and fourth *tranche* of the capital increase and, in compliance with the three-year vesting period, they will be allocated in 2015.

(3) Maximum number of shares that may be allocated under the 2012-2013 Stock grant plan. There were 11,552 shares accrued with reference to 2013, including the increment linked to the third and fourth *tranche*

of the capital increase and, in compliance with the three-year vesting period, they will be allocated in 2016.
(4) This date refers to the General Meeting when the 2012-2013 Stock grant plan was approved.
(5) Maximum number of shares that may be allocated under the 2012-2013 Stock grant plan. There were 16,702 shares accrued with reference to 2012, including the increment linked to the third and fourth *tranche* of the capital increase and, in compliance with the three-year vesting period, they will be allocated in 2015.
(6) Maximum number of shares that may be allocated under the 2012-2013 Stock grant plan. There were 11,134 shares accrued with reference to 2013, including the increment linked to the third and fourth *tranche* of the capital increase and, in compliance with the three-year vesting period, they will be allocated in 2016.
(7) *Fair value* based on the maximum number of shares that may be allocated under the 2012-2013 Stock grant plan, with reference to 2013.

Table 3: Monetary incentive plans in favour of the Executive Director and of the Managers with Strategic Responsibilities

				Annual bonus (Euro)			Previous annual bonuses (Euro)			Other bonuses (Euro)
First name and surname	**Office**		**Plan**	**Payable/paid**	**Postponed**	**Postponement period**	**No longer payable**	**Payable/paid**	**Further postponed**	
Sergio De Luca	CEO [1]	*Fees in Ansaldo STS*	MBO 2013 (BoD 26 June 2013)	53,600 [2]	–	–	–	–	–	–
			LTIP 2011-2013 (BoD 28 June 2011)	0	–	–	–	–	–	–
			LTIP 2012-2014 (BoD 28 June 2012)	0	–	–	–	–	–	–
			LTIP 2013-2015 (BoD 26 June 2013)	0	-	-	-	-	-	-
		Fees in subsidiaries and affiliates	–	–	–	–	–	–	–	–
		Total		53,600 [2]	-	-	-	-	-	-
Managers with Strategic Responsibilities		*Fees in Ansaldo STS*	MBO 2013 (BoD 26 June 2013)	44,109 [2]	–	–	–	–	–	–
			LTIP 2011-2013 (BoD 28 June 2011)	0	–	–	–	–	–	–
			LTIP 2012-2014 (BoD 28 June 2012)	0	–	–	–	–	–	–
			LTIP 2013 – 2015 (BoD 26 June 2013)	0	-	-	-	-	-	-
		Fees in subsidiaries	-	-	-	-	-	-	-	-

		and affiliates								
		Total	-	44,109 [2]	-	-	-	-	-	

[1] Office held until 31 December 2013. In relation to the variable fees for Mr. De Luca, specified in this table, see subsection 1.1.1 of Section II.
[2] Relevant to the 2013 MBO plan, the targets of which accrued in 2013; such amount will be paid in 2014.

SECTION III: INFORMATION ON THE SHAREHOLDINGS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS AS WELL AS OF 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 and the aggregate of those held by the Managers with Strategic Responsibilities in Ansaldo STS and its subsidiaries.

Surname and first name	Office	Invested company	No. of shares owned at the end of 2012	No. of shares bought	No. of shares sold	No. of shares owned at the end of 2013
Alessandro Pansa [1]	BoD Chairman	-	–	-	-	-
Luigi Calabria [2]	BoD Chairman	-	N.A.	-	-	-
Giancarlo Grasso[3]	Deputy Chairman of BoD	-	–	-	-	-
Sergio De Luca	Executive Director[4]	Ansaldo STS	82,433	-	-	92,737 [5] [6]
Giovanni Cavallini	Director	-	–	-	-	-
Maurizio Cereda	Director	-	–	-	-	-
Paola Girdinio	Director	-	–	-	-	-
Tatiana Rizzante	Director	-	–	-	-	-
Attilio Salvetti	Director	-	–	-	-	-
Bruno Pavesi	Director	-	–	-	-	-
Giacinto Sarubbi	Chairman of the Board of Statutory Auditors	-	–	-	-	-
Renato Righetti	Statutory Auditor	-	–	-	-	-
Massimo Scotton	Statutory Auditor	-	–	-	-	-
Managers with Strategic Responsibilities	-	Ansaldo STS	53,185	-	-	59,833[5] [7]

[1] The Director Alessandro Pansa, following his resignation on 5 March, 2013, ceased from office as Chairman and member of the Board of Directors of Ansaldo STS, with effect from the end of the General Meeting of Ansaldo STS on 6 May 2013.
[2] The Ordinary General Meeting of Ansaldo STS, held on 6 May, 2013, appointed the Director Luigi Calabria as the new Chairman and member of the Board of Directors of Ansaldo STS, to replace the Director Alessandro Pansa. On 11 December, 2013, the Director Luigi Calabria resigned as Chairman of the Board of Directors with effect from 1st January 2014. Consequently, the Board appointed the Director Sergio De Luca as the new Chairman of the Board of Directors, again with effect from 1 January 2014.
[3] The Director Giancarlo Grasso, following his resignation on 11th December, 2013, ceased to hold office as Deputy Chairman and member of the Board of Directors of Ansaldo STS, with effect from 1 January 2014.
[4] Position held until 31 December 2013.
[5] Shares owned outright.
[6] The increase of 10,304 shares is due to: increase in shares held as a result of the fourth tranche of the capital increase.
[7] The increase of 6,648 shares is due to: increase in shares held as a result of the fourth tranche of the capital increase.

ANNEX

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

FEE PLANS BASED ON FINANCIAL INSTRUMENTS

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

First name and surname or category	Office	Stock Grant Plan 2012 -2013 - PANEL 1 – ALLOCATION FOR 2013						
		Financial instruments other than options *(STOCK GRANT)*						
		Section 1 Instruments relating to plans still underway, approved on the basis of previous General Meeting resolutions						
		Date of Meeting 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 date of allocation	Vesting period
Sergio De Luca	Executive Director [1]	07/05/2012	Shares of Ansaldo STS S.p.A.	11,552[2]	05/03/2014 [2]	__	N. A.[6]	Three years[7]
Managers with Strategic Responsibilities	----	07/05/2012	Shares of Ansaldo STS S.p.A.	11,134[3]	05/03/2014 [3]	__	N. A. [6]	Three years[7]
Managers (53 recipients)[4]	----	07/05/2012	Shares of Ansaldo STS S.p.A.	128,913[5]	05/03/2014 [5]	__	N.A. [6]	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 Executive Director was allocated a maximum number of shares amounting to 35,939 in 2013. The allocation of 11,552 shares, effectively accrued for 2013, was made by the Nomination and Remuneration Committee on 5 March, 2014 (this number takes into account the increase related to the third and fourth *tranche* of the capital increase). The shares will be delivered during 2016 in compliance with the three-year vesting period provided by the plan.

[3] Based on the General Meeting resolution of 7 May 2012 approving the 2012-2013 Stock Grant Plan, the Managers with Strategic Responsibilities were assigned, in aggregate, a maximum number of 34,641 shares for 2013. The assignment of the 11,134 shares effectively accrued for 2013 was made by the Nomination and Remuneration Committee on 5 March, 2014 (this number takes into account the increase related to the third and fourth *tranche* of the capital increase). The shares will be delivered during 2016 in compliance with the three-year vesting period provided by the plan.

[4] The Board of Directors meeting of 28 June 2012, on the proposal of the Nomination and Remuneration Committee, identified the Managers of Ansaldo STS and/or Companies of the Group ASTS as beneficiaries of the Stock Grant Plan for 2012-2013, also determining the number of shares to be allotted to each of them. At that date, 56 Managers were so identified. To date, following the exit from the Group of three of the beneficiaries initially identified, one of which on March 1, 2014, 53 Managers are beneficiaries of the Stock Grant Plan 2012-2013.

[5] 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 assigned, in aggregate, a maximum of 410,065 shares for 2013. The assignment of 128,913 shares effectively accrued for the year 2013 was made by the Nomination and Remuneration Committee on 5 March 2014 (this number takes into account the increase related to the third and fourth *tranche* of the capital increase). The shares will be delivered during 2016 in compliance with the three-year vesting period provided by the plan.

[6] This information will be available on the date of delivery of the shares. At the date of the General Meeting of 7 May 2012 approving the Stock Grant Plan 2012-2013, the market price was Euro 7.42.

[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 2013, begins from 7 May 2013.

First name and surname or category	Office	Stock Grant Plan 2012 -2013 - PANEL 1 – ALLOCATION FOR 2012 Financial instruments other than options *(STOCK GRANT)* **Section 1** Instruments relating to plans still underway, approved on the basis of previous General Meeting resolutions						
		Date of Meeting 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 date of allocation	Vesting period
Sergio De Luca	Executive Director of Ansaldo STS S.p.A.[(1)]	07/05/2012	Shares of Ansaldo STS S.p.A.	17,327[(2)]	01/03/2013[(2)]	__	N. A.[(6)]	Three years[(7)]
Managers with Strategic Responsibilities	----	07/05/2012	Shares of Ansaldo STS S.p.A.	16,702[(3)]	01/03/2013[(3)]	__	N. A.[(6)]	Three years[(7)]
Managers (54 recipients) [(4)]	----	07/05/2012	Shares of Ansaldo STS S.p.A.	197,707[(5)]	01/03/2013[(5)]	__	N.A.[(6)]	Three years[(7)]

(1) Office held until 31 December 2013.

(2) Based on the General Meeting resolution of 7 May 2012 approving the 2012-2013 Stock Grant Plan, Mr. De Luca was allocated a maximum number of shares amounting to 17,969. The allocation of 17,327 shares, effectively accrued for 2012, was made by the Nomination and Remuneration Committee on 1 March 2013 (this number takes into account the increase related to the third and fourth *tranche* of the capital increase). The shares will be delivered during 2015 in compliance with the three-year vesting period starting from the date of the General Meeting that approved the plan.

(3) Based on the General Meeting resolution of 7 May 2012 approving the 2012-2013 Stock Grant Plan, the Managers with Strategic Responsibilities were assigned, in aggregate, a maximum number of shares amounting to 17,320. The assignment of 16,702 shares effectively accrued for 2012 was made by the Nomination and Remuneration Committee on 1 March, 2013 (this number takes into account the increase related to the third and fourth *tranche* of the capital increase). The shares will be delivered during 2015 in compliance with the three-year vesting period starting from the date of the General Meeting that approved the plan.

(4) The Board of Directors meeting of 28 June 2012, on the proposal of the Nomination and Remuneration Committee, identified the Managers of Ansaldo STS and/or Companies of the Group ASTS as beneficiaries of the Stock Grant Plan for 2012-2013, also determining the number of shares to be allotted to each of them. At that date, 56 Managers were so identified. To date, following the exit from the Group of two of the beneficiaries initially identified, 54 Managers are beneficiaries of the Stock Grant Plan 2012-2013 for 2012.

(5) 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 assigned, in aggregate, a maximum number of shares amounting to 205,035. The assignment of 197,707 shares effectively accrued for the year 2012 was made by the Nomination and Remuneration Committee on 1 March 2013 (this number takes into account the increase related to the third and fourth *tranche* of the capital increase). The shares will be delivered during 2015 in compliance with the three-year vesting period starting from the date of the General Meeting that approved the plan.

(6) This information will be available on the date of delivery of the shares. At the date of the General Meeting of 7 May 2012 approving the Stock Grant Plan 2012-2013, the market price was Euro 7.42.

(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 2012, begins from the date of the General Meeting that approved the plan.