



REPORT ON THE CORPORATE GOVERNANCE OF ASTALDI S.P.A. - 2008

**(pursuant to Art. 124 bis Finance Consolidation Act, 89 bis CONSOB Regulations for
Issuers
and Art. IA.2.6 of BORSA ITALIANA Regulation Instructions)**

(traditional model of administration and auditing)

Issuer: ASTALDI S.p.A.

Website: www.astaldi.it

Financial Year referred to in the Report: 2008

Data for approval of the Report: 25 March 2009

ASTALDI S.P.A.
REPORT ON CORPORATE MANAGEMENT - 2008

INTRODUCTION

As in previous years, the corporate governance model adopted by Astaldi S.p.A. is in line with the principles contained in the “*Self-regulation Code for listed Companies*”, drawn up by Borsa Italiana S.p.A. in the month of October 1999 and subsequently amended and integrated, with the recommendations drawn up by the CONSOB in this regard, and more in general, with international best practices.

In accordance with the instructions issued by Borsa Italiana S.p.A., there follows a description of the corporate governance system of Astaldi S.p.A. in the light of the principles set by the aforesaid Code, updated with the main events subsequent to the closing of the 2008 financial year.

CORPORATE SHARE CAPITAL

The share capital of Astaldi S.p.A. amounts to EUR 196,849,800 subdivided into no. 98,424,900 ordinary shares with a nominal value of 2 Euro per share. The shareholders of Astaldi S.p.A. amount to approximately 7,000 owners of ordinary shares.

According to the information in the shareholders’ book, together with the communications received pursuant to Art. 120 of Legislative Decree dated 24 February 1998 no. 58 and other information available, the direct shareholders on 16 March 2009 with a stake exceeding 2% of the fully paid-in share capital and represented by shares with voting rights, are as follows:

DECLARANT	DIRECT SHAREHOLDER	no. SHARES	%
FIN.AST S.r.l.	<i>FIN.AST. S.r.l.</i>	38,911,095	39.5%
	<i>Finetupar International S.A.</i>	12,327,967	12.5%
		51,239,062	52%
Odin Forvaltning AS	<i>Odin Forvaltning AS</i>	4,974,717	5.05%
		4,974,717	5.05%

Capital Research and Management	<i>Capital Research and Management</i>	4,936,954	5.02%
		4,936,954	5.02%
Pictet Funds (Europe) SA	<i>Pictet Funds (Europe) SA</i>	2,065,440	2.10%
		2,065,440	2.10%
JP Morgan AM (UK) Ltd.	<i>JP Morgan AM (UK) Ltd.</i>	1,976,326	2.01%
		1,976,326	2.01%
TOTAL		65,192,499	66.2%

It should be recalled that on 23 April 2008, the Shareholders' Meeting approved a plan for the purchase and sale of the treasury shares, pursuant to Art. 2357 and subsequent articles of the Italian Civil Code, and Art. 132 of Legislative Decree dated 24 February 1998, no. 58, for a period of twelve months (and therefore expiring on 23 April 2009), allowing the Company to:

- Acquire ordinary shares of the Company within a revolving maximum of 9,842,490 shares with a nominal value of 2.00 Euro each at a unit price not less than 2.00 Euro and not higher than the average price for the last 10 trading days on the stock market previous to the day of the purchase, augmented by 10%, with the further constraint that the amount of the shares may not at any time exceed the amount of EUR 24,600,000.00 (without prejudice to the limit of distributable profit and available reserves pursuant to Article 2357, Para. 1 of the Italian Civil Code);
- Dispose of the shares purchased, at a unit price not lower than the average price for the last 10 trading days on the stock market previous to the day of the sale, decreased by 10%.

The aforesaid Plan likewise states that the Board of Directors is authorised to dispose of treasury shares by share exchange transactions during possible operations of strategic relevance to the Company, including, in particular, operations for swaps and/or allotments, as long as the evaluation of the shares in the context of these operations is not lower than the average book value of the treasury shares held. Treasury shares may also be utilised within stock grant and/or stock option plans; in this case, there shall be an exception to the

aforesaid condition for determining the sales price, which may not in any case be lower than the so-called "normal value" set forth in tax rules.

The Board of Directors is likewise authorised to undertake operations of securities loans - in which Astaldi S.p.A. is the lending party - having treasury shares as their object.

To implement this resolution, in the 2008 financial year, starting from the date of the said resolution of 23 April 2008, the Company purchased no. 270,000 treasury shares, and at 31 December 2008 held a total of no. 1,170,000.

BOARD OF DIRECTORS (ART. 1 - 3 OF THE CODE)

Composition and duration of office.

According to the Bylaws of Astaldi S.p.A., the Board of Directors consists of a number of directors varying from 9 to 15, appointed for a period not exceeding three years and liable for re-election upon the expiry of the term.

The Board of Directors of Astaldi S.p.A., appointed on 2 May 2007, with appointment expiring at the approval of the financial statements at 31 December 2009, currently consists of thirteen members.

There follows the list of names of the directors with their classification in terms of executive powers and independence, as recently verified, together with the Board of Auditors, at the meeting of the Board held on 25 March 2009.

It should be recalled that in making the above evaluations, the criteria set forth in the Self-Regulation Code for listed companies have been applied.

First name and surname	Role	Characteristics
Ernesto Monti	Honorary Chairman	NON-EXECUTIVE INDEPENDENT PURSUANT TO FINANCE CONSOLIDATION ACT
Vittorio Di Paola	Chairman	EXECUTIVE
Paolo Astaldi	Deputy Chairman	EXECUTIVE
Giuseppe Cafiero	Chief Executive Officer	EXECUTIVE
Stefano Cerri	Chief Executive Officer	EXECUTIVE
Caterina Astaldi	Director	NON-EXECUTIVE/NON-INDEPENDENT
Pietro Astaldi	Director	NON-EXECUTIVE/NON-INDEPENDENT
Luigi Guidobono Cavalchini	Director	NON-EXECUTIVE /NON-INDEPENDENT
Franco A. Grassini	Director	NON-EXECUTIVE INDEPENDENT PURSUANT TO FINANCE CONSOLIDATION ACT AND SELF- REGULATION CODE
Mario Lupo	Director	NON-EXECUTIVE/INDEPENDENT PURSUANT TO FINANCE CONSOLIDATION ACT AND SELF-REGULATION CODE
Nicola Oliva	Director	EXECUTIVE
Maurizio Poloni	Director	NON-EXECUTIVE INDEPENDENT PURSUANT TO FINANCE CONSOLIDATION ACT AND SELF- REGULATION CODE
Gian Luigi Tosato	Director	NON-EXECUTIVE INDEPENDENT PURSUANT TO FINANCE CONSOLIDATION ACT AND SELF- REGULATION CODE

In accordance with Art. 1.C.2 of the Self-Regulation Code in force, there follows the list of positions as director or auditor held by each director in other companies listed on regulated markets, domestic and foreign, in financial, banking and insurance enterprises or other enterprises with a significant size:

First name and surname	Other activities undertaken pursuant to Art. 1.3 of the Self-Regulation Code
Ernesto Monti	Chairman of the Board of Directors of Finanziaria Tosinvest S.p.A.; Member of the Board of Directors of Alitalia S.p.A., Unicredit-Banca di Roma S.p.A., Erg Renew S.p.A. (formerly Enertad S.p.A.), Ariscom Compagnia di assicurazioni S.p.A.
Vittorio Di Paola	---
Paolo Astaldi	Chief Executive Officer of Fin.Ast S.r.l.; Member of the Board of Directors of Atmos Wind S.p.A.
Giuseppe Cafiero	---
Stefano Cerri	---
Caterina Astaldi	Member of the Board of Directors of Fin.Ast. S.r.l.
Pietro Astaldi	Member of the Board of Directors of Fin.Ast. S.r.l.
Luigi Guidobono Cavalchini	Chairman of the Board of Directors of Unicredit Private Banking S.p.A.
Franco A. Grassini	Chairman of the Board of Directors of Marche Capital S.p.A.
Mario Lupo	---
Nicola Oliva	---
Maurizio Poloni	---
Gian Luigi Tosato	Honorary Chairman of Ericsson Telecomunicazioni S.p.A. and Member of the Board of Directors of MEMC Electronic Materials S.p.A.

Maximum limit to appointments held in other companies.

It should be pointed out that the Board of Directors of the Company, in its meeting held on 13 November 2006, identified the general criteria adopted by the Company regarding the maximum number of appointments as director or auditor that the Company Directors may hold in other companies listed on regulated markets, domestic and foreign, in financial, banking and insurance enterprises or other enterprises with a significant size as set forth in Art. 1.C.3 of the Self-Regulation Code.

In particular, the Board of Directors, in this occasion, decided the following:

- To set the maximum number of appointments for “*non-executive*” and “*independent*” directors at 6;
- To set the maximum number of appointments for “*executive*” directors at 4.

For purposes of this calculation, however, appointments as director or auditor undertaken by directors of Astaldi S.p.A. in Group companies shall not be counted.

Role of the Board of Directors

The Board of Directors has a key role in corporate organisation. It is responsible for the strategic and organisational governance of the Company, as well as the verification of the presence of the auditing necessary for monitoring the performance of the Company and the Group.

Pursuant to Art. 22 of the Bylaws, the Board is endowed with the most ample powers for the management of the Company.

The Board, pursuant to the Bylaws is likewise qualified to pass resolutions concerning the appointment of the directors who shall represent the Company, the setting up or closing of branch offices of the Company, in Italy and abroad, the reduction of share capital in case of withdrawal of shareholders, the updating of the Bylaws in accordance with legislation, the transfer of the registered offices within Italian territory, and mergers and separations in the cases provided for in Art. 2505 and 2505 bis of the Italian Civil Code.

Moreover, the Board of Directors shall:

- a) Examine and approve the strategic, industrial and financial plans of the Company and the Group, as well as the system of corporate governance of the Company and the Group structure;
- b) Assess the adequacy of the general organisational, administrative and accounting structure of the Company and the subsidiaries having strategic relevance, to be provided by the Chief Executive Officers, with particular reference to the internal auditing system and the management of conflicts of interest;
- c) Determine the remuneration of the Chief Executive Officers and the other directors appointed to particular roles, after examining the proposals of the ad hoc committee and after consulting the Board of Auditors;
- d) Assess the general performance of management;
- e) Assign and revoke the appointments to the Chief Executive Officers, defining the limits and procedures for undertaking their tasks; it likewise determines the rate, in any case not exceeding a quarter, at which the Chief Executive Officers must report to the Board on the activities undertaken in the context of the appointments made;
- f) Examines and approves in advance the operations of the issuer and its subsidiaries, when these operations are significant to the issuer from the strategic, economic, assets or financial point of view, with particular reference to operations with related parties.

The activities of the Board of Directors shall therefore take place in accordance with Art. 1.C.1 of the Self-Regulation Code for listed companies.

In this regard it should likewise be pointed out that the Board of Directors has laid down general criteria for identifying “*operations with related parties*” significant to the issuer from the strategic, economic, assets or financial point of view, as stated subsequently; while for the operations of this type with parties other than “*related parties*”, the Board has not established general criteria, and will analyse any future activities on an individual basis.

In particular, the following is planned:

1) With reference to operations with related parties other than subsidiary or associate companies, the exclusive competence of the Board of Directors;

2) With reference to operations with related parties that are “ad hoc” subsidiary and associate companies (i.e. temporary bodies such as special purpose vehicles, consortium companies, consortia and joint ventures, all set up for the execution of specific contracts in Italy and abroad), the Chief Executive Officer having responsibility shall submit a report to the Board every six months, at the time of the approval of the half-yearly report and the draft financial statements, regarding unusual and/or non-typical operations (defined as those which are not directly finalised to the implementation and management of the works and not having a temporary character) the value of which exceeds the amount of EUR 10 million for each operation. With regard to unusual and/or non-typical operations for a lower value, the Chief Executive Officer having responsibility shall, at the same periods, provide information by type of operation and in aggregate form.

3) With reference to the operations with related parties that are “no-ad hoc” subsidiary and related companies:

3.1.) Reserved to the exclusive competence of the Board of Directors should the operation exceed 30 million Euro;

3.2) The Chief Executive Officer having responsibility shall submit a report to the Board every six months, at the time of the approval of the half-yearly report and the draft financial statements, regarding the operations undertaken with the same counterpart with a value exceeding a total of 50 million Euro on a half-yearly basis.

In any case, all the above operations shall be reported by the Company in the Management Report, whatever their value.

In line with provisions of the Bylaws, 6 meetings of the Board were held in the financial year 2008, with a limited number of absences by Directors and Auditors, all of which were justified.

In accordance with Borsa regulations in this regard, the Board of Directors approved, and then notified to Borsa Italiana S.p.A., with reference to the 2009 financial year, a calendar of the dates of the forthcoming meetings of the Board for the approval of the draft financial statements, the half-yearly report and the interim reports, as shown below:

DATE	CORPORATE EVENT	SUBJECT
<i>12 February 2009</i>	Board of Directors	Approval of the Interim Report for the IV quarter 2008
<i>25 March 2009</i>	Board of Directors	Approval of the Draft Financial Statements for the 2008 financial year and the Business Plan
<i>24 April 2009</i>	Shareholdings' Meeting	Approval of the Financial Statements for the 2008 financial year
<i>13 May 2009</i>	Board of Directors	Approval of the Interim Report for the I quarter 2009
<i>6 August 2009</i>	Board of Directors	Approval of the Half-yearly Report at 30 June 2009
<i>11 November 2009</i>	Board of Directors	Approval of the Interim Report for the III quarter 2009

Delegation of competences.

The activities of the Board of Directors are co-ordinated by the **Chairman**, who convenes and chairs the Board meetings, ensuring that the Directors are provided, with a reasonable time in advance, with the documentation and information necessary for the Board to make an informed decision on the matters submitted to it, except in cases of necessity and urgency. It should be pointed out that since the conditions stated in the Self-regulation Code (Art. 2.C.3) do not apply, no lead independent director has been appointed. The Chairman of the Board of Directors has not delegated any of his responsibilities for the management of the Company and does not control the same.

It should be pointed out that with the powers attributed to the **Chief Executive Officers**, pursuant to the board resolution of 2 May 2007, substantially, Stefano Cerri shall be committed mainly to the development of activities and the pursuit of the growth objectives of the Group, while Giuseppe Cafiero shall be concerned mainly with industrial activity. The Chief Executive Officers report to the Board constantly, and in any case, at least on a quarterly basis, pursuant to Bylaws, regarding the main activities involved in the undertaking of the tasks for which they have been appointed.

It should be recalled that the Board of Directors, in the session of 31 July 2007, appointed Paolo Citterio, General Manager - Administration and Finance of the Company as ***“Executive appointed to draft company accounts”***.

It should be recalled that, in accordance with the Bylaws, the Executive appointed to draft company accounts is appointed by the Board of Directors after consulting the Board of Auditors. Moreover, pursuant to Bylaws, the person appointed as Executive appointed to draft company accounts must have the requisites of honourableness provided for under the law for directors, and adequate professional skills, having undertaken for at least a 3-year period management activities in the administrative, accounting, financial or auditing sector of a company having financial instruments listed on a regulated market or of a company undertaking financial, insurance or banking activities, or in a company with share capital not less than 2 million Euro; or alternatively, having undertaken activities for a 3-year period as auditor in an auditing firm registered in the special register kept by the CONSOB.

The Company has likewise adopted internal regulations setting forth the details of the functions, means and powers of the executive appointed, as well as his relationships with the other corporate officers and bodies.

APPOINTMENT OF DIRECTORS (ART. 6 OF THE CODE)

The Board currently holding office has not deemed it necessary to set up a Committee for the appointments of directors, since there are currently no

situations involving difficulties in arranging candidacies for corporate appointments.

In this regard, it should be recalled that pursuant to the law in this regard (Law 262/05 and the related Legislative Decree 303/06), the Bylaws provides for the “**list vote**” system for the appointment of the Board of Directors.

In particular, the Bylaws establishes entitlement to present lists for shareholders who, alone or together with other shareholders participating in the presentation of the same list, own shares representing a total of at least 2.5% of the share capital (i.e. minimum level set forth by applicable provisions of the law or regulations) having voting rights in the Ordinary Shareholders’ Meeting.

According to the Bylaws, the lists, signed by those presenting them and showing the clauses of the law, must be deposited at the Company’s registered offices, and made available to anyone requesting to view them, at least 15 days before the date set for the first call of the Shareholders’ Meeting. The lists are made available to the public with the procedures set forth by the applicable laws.

The Directors are elected as follows:

- 1) The Directors shall be chosen from the list obtaining the most votes cast by the shareholders; the number of the directors is the equivalent to the total number of the members of the Board established by the general meeting, minus one, according to the progressive order shown in the list. If no list obtains a higher number of votes with respect to the others, the meeting must be reconvened for new voting to be held in accordance with this article;
- 2) One Director, the candidate indicated with the first number, shall be chosen from the list that comes second by number of votes and which is not connected, on the basis of the criteria set forth in the rules for the election of minority auditors, with the shareholders who have presented or voted the list coming first by number of votes. Should several minority lists obtain the same number of votes, the candidate who is senior by age among those appearing as number one of the lists obtaining an equal number of votes shall be elected as director.

For purposes of the distribution of the directors to be elected, the lists that have not obtained a percentage of votes equivalent to at least half of the percentage required for the purposes of presentation of the lists shall not be taken into account.

Should a single list be presented, or no list is presented, the meeting shall take its decisions with the majorities provided for by law, without following the procedure described above.

REMUNERATION OF DIRECTORS (ART. 7 OF THE CODE)

The meeting of 27 June 2007 approved the guidelines of the "Incentives Plan" of the Company for the 3-year period 2007/2009, as defined previously by the Board of Directors of 14 May 2007, upon proposal by the Remuneration Committee of 11 May 2007. Subsequently, the Board of Directors of 27 September 2007 approved the Regulations for implementing the Plan.

In particular, this Plan is based on a stock granting system in which shares of "Astaldi S.p.A." are assigned to three senior managers, executive board members, or persons appointed with operational tasks, to be paid over three years, following verification by the Board of Directors that the objectives set by the Board have been achieved.

The Company has likewise drawn up a plan for the assignment of cash bonuses to top managers.

The Company appointed a Remuneration Committee and for plans for stock options and the assignment shares, established by the Board of Directors on 5 February 2002. In accordance with Art. 7.C.3 of the Self-Regulation Code, the Committee basically has the task of:

- Drafting proposals to the Board for the remuneration of the Chief Executive Officers and directors undertaking particular tasks and, upon indication by Chief Executive Officers, for the determination of the criteria for the

remuneration of the Company's top managers, monitoring the application of the decisions taken by the Board;

- Formulating proposals for incentives plans, if any, reserved for directors, employees and collaborators;
- Formulating proposals and ensuring that the information provided to shareholders and the market ensure the necessary transparency of the mechanisms for the determination and size of the amounts paid to persons in the company, in accordance with regulations in force on corporate information, and in any case according to the best practices on the financial markets;
- Providing opinions on matters submitted to it from time to time by the Board of Directors with regard to remuneration or to related or connected matters.

The Remuneration Committee is currently composed of three non-executive Directors, the majority of whom are independent, according to the following scheme:

Ernesto Monti	(Chairman)	Non-executive	
Franco A. Grassini		Non-executive/Independent	In
Maurizio Poloni		Non-executive/Independent	200

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meetings of the Committee were held, and the minutes drawn up. In these meetings, the Committee undertook consultation functions, in particular, in relation to the definition of the following:

- Parameters of the plan for the assigning of cash bonuses paid in 2008 (with reference the 2007 financial year) and to be paid in 2009 (with reference to the 2008 financial year), for managers;
- Parameters of performance which, when achieved, will involve the assigning of stock grants for the 2008 financial year.

The Committee, in relation to the specific issues discussed, invited the Chairman, Deputy Chairman and Chief Executive Officers to some meetings.

In order to undertake its functions, as stated above, the Committee had access to the necessary information through the various corporate structures having jurisdiction, with help of the Manager in charge of the Legal Service and Corporate Affairs.

THE INTERNAL AUDITING SYSTEM (ART. 8 OF THE CODE)

The Company's Internal Auditing system provides for the presence of an **Internal Auditing Committee**.

This Committee, set up by the Board of Directors on 5 February 2002, undertakes proposal and consultation functions for the Board of Directors regarding supervisory activities over the general performance of Company management, in accordance with Art. 8.C.1 and 8.C.3 of the Self-Regulation Code.

The Chairman of the Board of Auditors or an auditor appointed by the latter takes part in the meetings of the Committee; persons who are not members may take part when invited by the Committee. The manager in charge of Internal Auditing undertakes the role of secretary of the Committee, drafting the minutes of the meetings and helping it to undertake its functions.

The Committee currently holding office, appointed by the Board of Directors on 2 May 2007, consists of the following directors:

Mario Lupo (Chairman)	non-executive/ independent
Luigi Guidobono Cavalchini	non-executive/ non-independent
Franco A. Grassini	non-executive/independent

The Committee held five meetings in 2008 during which it undertook the auditing activities pursuant to Art. 8.C.3 of the Self-Regulation Code, and examined various topics. We can point out, in particular, that the Committee, in the context of the tasks assigned to it:

- It acknowledged the risk assessment undertaken, for the business in Italy, for the process related to the management of concession and project finance projects;

- In the light of the results of the auditing undertaken on the main business processes involving a sample of contracts selected, it deemed that the corporate Internal Auditing system was adequate, efficient and effective;
- It acknowledged the action plan deriving from the auditing activities undertaken in 2007 (follow-up) highlighting the effective action of “remediation” by the head office and local departments involved;
- It was constantly informed on the corporate activities undertaken and on the checking undertaken to guarantee safety at construction sites, and positively assessed the actions undertaken by the company in the HSE sector, confirming the substantial adequacy of the industrial model adopted in this respect;
- On the basis of the results of the consolidated financial statements at 31.12.2007, it verified the correct application of the principles for the identification of the subsidiary companies “significantly relevant” pursuant to and for the effects of the combined effect of Art. 165 para. 1 Legislative Decree 58/98 and Art. 151 of CONSOB Regulation no. 11971 of 14/09/99 and subsequent amendments;
- In the light of the information document received from the Manager in charge of drafting the financial statements on the activities undertaken pursuant to Art. 154-bis of the Finance Consolidation Act, and considering the results of the testing activities undertaken, it judged the Internal Auditing system with respect to corporate information to be adequate, efficient and effective;
- It was constantly updated on the corporate activities undertaken pursuant to Legislative Decree 231/01, acknowledging the updating of the Model for Organisation, Management and Auditing for the Company and the main Group Companies, already undertaken and under way, as well as the other initiatives undertaken in the Company upon proposal by the supervisory body.

In the meetings of 6 August 2008 and 25 March 2009, the Committee reported to the Board of Directors on the activities undertaken respectively in the first and second half of 2008.

In the light of the provisions of Art. 8.C.1 of the Self-Regulation Code, the Board of Directors of the Company, in the meeting of 13 November 2006, appointed **Chief Executive Officer Stefano Cerri** as “**executive director in charge of supervising the functioning of the Internal Auditing system**”, who undertakes the tasks set forth in Art. 8.C.5 of the Code.

The Company also has an Internal Auditing Service managed by the “**Manager in charge of Internal Auditing**” who reports to the Board of Directors of the Company and, from the functional point of view, to the Chief Executive Officer in charge of supervising the corporate Internal Auditing system. The Internal Auditing function is undertaken on the basis of domestic and international best practices, with the aim of undertaking all the appropriate and necessary actions for checking corporate processes, including those of guidance, monitoring and identification of critical aspects and the opportunities for the improvement of corporate organisation.

The internal auditing activities are undertaken by the integrated Internal Auditing system, understood as the rationalisation, integration and co-ordination of the activities of verification and checking undertaken by the various corporate departments that undertake “assurance” activities. This is based on an annual programme, provided to the Committee for Internal Auditing and Top Management. The results of checking are periodically reported to Top Management, the Committee for Internal Auditing, the Board of Auditors and also to the Supervisory Body for the specific purposes stated in Legislative Decree 231/01.

CODE OF ETHICS AND ORGANISATIONAL MODEL PURSUANT TO LEGISLATIVE DECREE 231/01

With reference to further actions undertaken to strengthen the governance system, it should be recalled that the Board of Directors, as early as 18 March 2003, adopted the “**Corporate Code of Ethics**”, setting forth the general principles and regulating, through rules of behaviour, the activity of employees and collaborators of the Company and all the Group Companies, also in relation

to relationships with shareholders, the Civil Service, suppliers, contractors and sub-contractors.

Moreover, on 2 July 2003, the Board of Directors, in the context of the activities in relation to Legislative Decree 231/2001, approved the adopting of the “**Model for organisation, management and auditing pursuant to Legislative Decree 231/01**”; identifying the areas and corporate activities potentially at risk in relation to the various types of criminal offences provided for under this decree, in order to protect the Company in case of the committing of the offences set forth in Legislative Decree 231/01 by directors, employees and collaborators of the Company.

It should be stressed in this regard that the “*Corporate Code of Ethics*” and the “*Model for organisation, management and auditing pursuant to Legislative Decree 231/01*”, both available on the company website, are constantly updated to legislation in force and to the changing organisational structure of the Company.

For purposes of the prevention of the risks/offences set forth in Legislative Decree 231/01, a **Supervisory Body** has likewise been appointed; the members are endowed with the requisites of autonomy, independence and professional qualifications requested by this law. They are: Maurizio Poloni (Lawyer), non-executive/independent member of the Board of Directors and Lawyers Marco Annoni, Giorgio Luceri, Nicoletta Mincato and Professor Vittorio Mele – the latter with functions of Chairman of the Supervisory Body – as external experts with respect to the Company.

The body has specific regulations and is set up as a top management staff unit reporting directly to the Chief Executive Officer in charge of supervising the corporate Internal Auditing system as the results of the activity, any critical issues emerging and interventions for correction and improvement which, in case of particular significance, are also brought to the attention of the Board of Directors.

The body avails itself of the person in charge of Internal Auditing for undertaking

its activity, and for the implementation of the decision by the corporate departments involved.

In the 2008 financial year, the activity of the Supervisory Body continued with monitoring of the functioning of and compliance with the *“Model for organisation, management and auditing pursuant to Legislative Decree 231/01”*. It convened ten times, undertaking its activities pursuant to the aforesaid law, including in particular:

- Revision of the *“Model for organisation, management and auditing pursuant to Legislative Decree 231/01”* for the updating to further legislative innovations (with specific reference to Law no. 48/2008 and Consolidation Act 81/2008) in relation to which we are awaiting the updating up the Confindustria Guidelines;
- Verification of the actual application of the Model by the corporate structures, through specific audits on a sample of Italian and foreign contracts selected, and of the examination of the results relevant for purposes of Legislative Decree 231/01 emerging in the audits undertaken by the Internal Auditing system;
- Checking of the results of the auditing activities undertaken, and the corrective actions taken for solving any critical issues emerging;
- Further investigation, upon request by management, in relation to the possible implementation of protocols in areas with specific issues of the environmental type;
- Preparation of procedures aimed at institutionalising periodical flows of information to the Supervisory Body;
- Activities for personnel training in relation to Legislative Decree 231/01 undertaken directly by the Supervisory Body, or delegated to peripheral facilities in Italy and abroad in accordance with the guidelines laid down by the Supervisory Body;
- Undertaking of investigations pursuant to Art. 13 of the Code of Ethics, through the person in charge of Internal Auditing.

HANDLING OF CONFIDENTIAL INFORMATION (ART. 4 OF THE CODE)

In order to guarantee the correct internal management and the prompt external communication of any relevant facts coming within the sphere of activities of the Company and its subsidiaries and which, at least potentially, could significantly influence the price of the Company shares (so-called “*price-sensitive information*”), Astaldi S.p.A. utilises the internal procedure called “**Continuous Information**”.

Substantially, the procedure identifies within the Company the timing and methods for conveying and distributing this information and the involvement of the departments concerned; personnel in closest contact with this information act as intermediaries between the area for which they are responsible and top management, in order to allow suitable assessment of these facts or information.

As a subsequent step, there is also the involvement of a special Assessment Committee (formed by the persons in charge of the Legal Service and Corporate Affairs, Investor Relations and the department concerned) so that after a careful analysis of the fact, there is adequate assistance as to the correct interpretation of regulations for the sector, as well as for the formulation and distribution of press releases in this regard.

It should be pointed out that the Company has a “**Code of behaviour regarding insider dealing**” under which the so-called “relevant persons” (Directors, Auditors and managers with strategic responsibility as identified by the Board of Directors) are required to report to the Legal Service and Corporate Affairs (“*body appointed to implement the code*”) on transactions undertaken by them – also through third parties and by persons closely related to the – on the Astaldi S.p.A. shares, when the total amount reaches and/or exceeds 5,000 Euro per year.

The communication, according to this procedure, shall be made promptly and, in any case, within three trading days on the stock market subsequent to the date of execution or, in case of a cumulative calculation of the amount of the operations, on the date of completion of operation by which the aforesaid

threshold was reached and/or exceeded. The “*body appointed to implement the code*” shall make these operations known to the market, with methods and timing provided for by the applicable regulations.

The Code likewise establishes so-called “close periods”, i.e. periods of time near to events of particular significance, during which the “relevant persons” may not undertake any transactions on Company shares.

In particular, these periods have been identified as follows:

- The 30 days previous to the communication to the public of the consolidated financial statements, draft financial statements for the year and the interim half-yearly report;
- The 15 days previous to the communication to the public of the interim reports;
- The 15 days previous to the issue of the first price-sensitive statement regarding operations such as: takeover bids made by the Company or on its financial instruments; mergers, separations or acquisitions with the participation of Astaldi S.p.A.; any other extraordinary operation potentially likely to significantly affect the price of the Company’s financial instruments.

AUDITORS (ART. 10 OF THE CODE)

The Board of Auditors, pursuant to Art. 149 of Legislative Decree n° 58/1998, monitors the following:

- Compliance with the law and the Memorandum of Association;
- Compliance with the principles of correct administration;
- The adequacy of the corporate organisational structure for the aspects for which it has competence, of the Internal Auditing system and the accounting system, as well as the reliability of the latter in correctly presenting the facts of corporate management;
- The procedures for the concrete implementation of the rules of corporate governance provided for in the Codes of Behaviour drawn up by the management companies of regulated markets or by category associations, with which the Company, by information provided to the public, states its compliance;

- The adequacy of the instructions issued by the Company to subsidiary companies pursuant to Art. 114, para. 2 of the aforesaid Decree.

The Board consists of three statutory auditors and three substitutes.

The Board of Auditors currently holding office, to be renewed at the next Meeting for the approval of the financial statements for the 2008 financial year, is composed as follows:

Pierumberto Spanò ^(*)	Chairman
Pierpaolo Singer	Statutory Auditor
Antonio Sisca	Statutory Auditor
Massimo Tabellini	Substitute Auditor
Flavio Pizzini	Substitute Auditor
Maurizio Lauri ^(*)	Substitute Auditor

^(*) auditors appointed by lists presented by the minority.

The Bylaws provide for the “list vote” system in order to guarantee the presence of representatives of minority shareholders on the Board of Auditors.

Under express provisions of the Bylaws, the lists, accompanied by information on the personal and professional qualifications of the candidates, must be deposited at the registered offices at least 15 days before the date set for the first call of the Shareholders’ Meeting. The lists must contain the following:

- a) Information on the identity of the presenting shareholders, with the indication of the total percentage of shareholdings and certification issued by an authorised intermediary showing ownership of these shareholdings;
- b) A description of the personal and professional characteristics of the persons appointed, as well as statements by which the individual candidates accept their candidacy and state, under their own responsibility, that there are no causes for ineligibility or incompatibility, and that they have the requisites required by the law and the Company

Bylaws for holding office, together with the list of directorships and auditing positions held in other companies;

- c) A declaration of the shareholders other than those holding, also jointly, a controlling or relative majority stake, stating the absence of connections with the latter pursuant to the applicable laws.

Each shareholder may present, participate in the presentation and vote one list only, and each candidate may be shown in one list only, and otherwise be ineligible.

Persons who are Statutory auditors in more than 4 companies with securities listed on regulated markets in Italy or other countries of the European Union, as well as in companies issuing financial instruments with widespread distribution among the public pursuant to the applicable law, may not be appointed as auditors.

Only the shareholders who, alone or together with other shareholders, own a total number of shares with voting rights representing at least 1% of share capital having voting rights in the Ordinary Shareholders' Meeting (or a lower percentage that might be indicated by applicable provisions of the law or regulations) are entitled to present lists.

Again according to the Bylaws, should at the expiry date of the aforesaid deadline for the presentation of the lists, only one list be deposited, or only lists presented by shareholders who, on the basis of the above rules, are connected, further lists may be presented up to ten (10) days before the date set for the General Meeting in the first convening and, in this case, the quota of participation requested for the presentation of the list will be reduced by half.

Any lists the presentation of which does not comply with the above rules will be deemed not to have been presented.

The election of the members of Board of Auditors shall take place as follows. Two statutory members and two substitutes will be drawn from list obtaining the greatest number of votes expressed by the shareholders attending, in the progressive order of listing in the corresponding sections of the list. The remaining statutory member, who will be also be appointed Chairman of the Board of Auditors, and the other substitute member, are drawn from the list

coming second by number of votes, among the lists presented and voted by the shareholders who are not connected with the reference shareholders pursuant to the rules in force, in the progressive order of listing in the corresponding sections of the list. Should several minority lists obtain the same number of votes, the most senior candidates by age among those who appear as number one of the corresponding sections of the lists obtaining an equal number of votes are elected statutory auditor and substitute auditor.

Should only one list be presented, all the statutory and substitute auditors to be elected are drawn from it in order of listing. The Chairmanship of the Board of Auditors, in this case, shall be assigned to the first person on the list.

If a Statutory Auditor ceases to hold office for any reason whatsoever, this auditor shall be replaced by the first substitute elected in the same list, after verification of the existence of the requisites stated above.

If a Statutory Auditor drawn from the list coming second by number of votes ceases to hold office for any reason whatsoever, and if it is not possible, for any reason whatsoever, for substitute auditor elected in the same list to replace that auditor, after verification of the existence of the requisites stated above, the candidate after the one drawn from the same list or, failing this, the first candidate of the list coming second by number of votes among the minority lists, shall be appointed.

Should it not be possible for any reason whatsoever to undertake replacements according to the above criteria, a special general meeting shall be convened.

Should no lists be presented, the General Meeting shall appoint the Board of Auditors and its Chairman voting with a relative majority. In this case, should an Auditor cease to hold office before the expiry of the term, that auditor, up to the next General Meeting, shall be replaced by the substitutes in order of age; should the Chairman cease to hold office, the chairmanship shall be undertaken, up to the next General Meeting, by the most senior auditor in terms of age.

In 2008, the Board of Auditors convened nine times. At least one member of the Board of Auditors participated in the meetings of the Committee for Internal Auditing.

There follows the list of the most recent offices held by the Auditors of Astaldi S.p.A., limited to the offices of Director or Auditor in other listed companies on Italian regulated markets:

First name and surname	Other offices held in other companies listed on Italian regulated markets
Pierumberto Spanò	Chairman Board of Auditors of SNAM RETE GAS S.P.A.
Pierpaolo Singer	---
Antonio Sisca	---
Massimo Tabellini	---
Flavio Pizzini	---
Maurizio Lauri	Chairman of the Board of Auditors of ACEA S.P.A. and substitute auditor of BANCA FINNAT EURAMERICA S.P.A.

RELATIONS WITH SHAREHOLDERS AND GENERAL MEETINGS (ART. 11 OF THE CODE).

Since 2002, the Company, also in the light of approval of listing in the STAR Segment of the MTA – Italian Equities Market -, has appointed Alessandra Onorati as person in charge of relations with investors (the so-called “Investor Relator”), and she is in charge of this corporate office.

Moreover, in order to favour dialogue with the shareholders and the market, the Company regularly makes available on its website all the information, both accounting (financial statements, half-yearly statements and interim reports) and of interest to shareholders in general (for example press releases, the Corporate Code of Ethics, the Model for organisation and auditing pursuant to Legislative Decree 231/01, reports by directors on the items on the agenda of General Meetings etc.).

With reference the intervention of shareholders in the meeting, it should be pointed out that the Bylaws, Art. 11, expressly state: *“The shareholders with voting rights are entitled to intervene in the General Meeting as long as, within*

the two days previous to the date of the first convening of the Meeting, the intermediary holding their accounts has sent the communication testifying to the ownership of the corresponding shares.”

According to Art. 13 of the Bylaws, stating that *“the functioning General Meetings, both ordinary and extraordinary, are governed by regulations, approved by the Ordinary General Meeting and valid for all the subsequent ones, until these are amended or replaced”* – the ordinary General Meeting of 11 March 2002 approved the *“Regulations for General Meetings”* establishing clear and unequivocal rules for the orderly and efficient holding of the meetings, without, however, any prejudice to the right of each shareholder to express his opinions and make requests for information and clarification regarding the topics discussed.

The Board of Directors holding office has not presented proposals to the meeting for the decrease of the threshold levels established by the law for starting actions to exercise the rights guaranteed to minorities.

Roma, 25 March 2009

On behalf of the Board of Directors
(Chairman)