



ASTALDI SOCIETÀ PER AZIONI

BOARD OF DIRECTORS' REPORT ON PURCHASE AND SALE OF

TREASURY SHARES PURSUANT TO

ART. 73 OF CONSOB REGULATION No. 11971/99

Dear Shareholders,

The Board of Directors of Astaldi S.p.A. makes known the following with regard to the proposal for authorisation for the purchase of treasury shares which the Board wishes to submit to the forthcoming Shareholders' Meeting scheduled for 27 April 2018 in first call, and for 30 April 2018 in second call.

Dear Shareholders,

We hereby make known the following with regard to the purchase and sale of treasury shares:

1. SALE AND DISPOSAL OF TREASURY SHARES

During the Shareholders' Meeting of 18 April 2011, the Board of Directors was authorised, without any time restrictions, to sell the shares purchased at a unit price no lower than the average price of the last ten days of stock exchange trading prior to the day of sale, decreased by 10%, on the Electronic Share Market pursuant to Article 144-*bis*, subsection one, letter b) of CONSOB Regulation No. 11971/99, as well as to:

- dispose of treasury shares including through exchanges and/or transfers, provided that the value of the shares with regard to these transactions is no lower than the average carrying amount of the total treasury shares held;
- use treasury shares for stock grant and/or stock option plans, with a departure in this case from the aforementioned criterion of calculation of the sale price which cannot, in any case, be lower than the so-called "normal value" provided for in tax legislation;
- perform securities lending operations – with the company acting as lender – involving treasury shares.

Moreover, during the Shareholders' Meeting of 23 April 2013, without prejudice to the authorisation for sale already granted in this regard, without time restrictions, by the aforementioned Shareholders' Meeting of 18 April 2011, the Board of Directors was authorised – in relation to the equity-linked bond approved on 23 January 2013 and placed in full on 24 January 2013 – as from 27 May 2013 and without any time restrictions, to use the shares allocated to form the "share stock", in accordance with the "Bond" regulations and within the limits of the provisions contained in CONSOB Ruling No. 16839 of 19 March 2009, also to satisfy the right of bondholders to request the conversion of equity-linked bonds into already existing ordinary treasury shares.

On 13 June 2017, the Board of Directors of Astaldi S.p.A. resolved upon the issue of a new equity-linked bond (the "Bond"), reserved to qualified Italian and international investors. The operation forms part of a broader programme of corporate capital and financial strengthening. Therefore, on 15 December 2017, the Shareholders' Meeting resolved upon a share capital increase with exclusion of the right of pre-emption as per Article 2441, subsection 5, of the Italian Civil Code, to be used exclusively for the equity-linked bond.

The income from this bond issue was used, inter alia, to repay the aforementioned bond approved on 23 January 2013 which, therefore, has been paid off in full.

In this regard, we hereby propose to:

- revoke the authorisation granted by the Shareholders' Meeting on 23 April 2013 insofar as the relative bond has been paid off in full;
- authorise the Board of Directors, in relation to the equity-linked bond approved on 13 June 2017, to use the shares allocated to form the "share stock" also to satisfy the right of bondholders to request the conversion of equity-linked bonds into already existing ordinary treasury shares.

As regards other procedures for sale and/or disposal of purchased shares, there are no additional proposed resolutions insofar as the resolution passed by the Shareholders' Meeting of 18 April 2011 is still effective, without prejudice to the provisions contained in EU Regulation No. 596/2014.

2. PURCHASE OF TREASURY SHARES

During the Shareholders' Meeting of 21 April 2017, the Board of Directors was authorised, for a 12-month period as from 29 May 2017, to purchase treasury shares on the Electronic Share Market at a unit price of no less than EUR 2.00 and no more than the average price of the last 10 days of stock exchange trading prior to the day of purchase, increased by 10%. This authorisation to purchase treasury shares is limited to a revolving maximum of 9,842,490 shares, equal to 10% of the share capital, with a nominal value of EUR 2.00 each, with the additional restriction that the total of treasury shares on hand must not exceed a total counter-value of EUR 24,600,000.00, without prejudice to the limit of distributable profit and available reserves pursuant to Article 2357, subsection one of the Italian Civil Code.

Therefore, the authorisation granted on 21 April 2017 referring to the purchase of treasury shares, as detailed above, shall expire on 28 May 2018. In this regard, we hereby propose to renew authorisation for the purchase of treasury shares for an additional 12-month period as from now.

3.1 USEFUL INFORMATION FOR THE PURPOSE OF EXAMINING COMPLIANCE WITH ARTICLE 2357, SUBSECTION 3, OF THE ITALIAN CIVIL CODE

In relation to the resolution passed, the Company purchased 162,649 treasury shares during 2017, as from 29 May 2017, and owned 539,834 treasury shares at 31 December 2017, as detailed in full in the report on the financial statements pursuant to Article 2428, subsection 3, no. 4, of the Italian Civil Code.

Moreover, as a result of the purchases and sales of treasury shares performed to date, the Company held 553,834 treasury shares (equal to 0.563% of the share capital) with an average carrying amount of EUR 5.4582 for a total counter-value of approximately EUR 3,022,939, at the reporting date, while no Astaldi shares are held by the Company's subsidiaries.

3.2 REASONS FOR REQUESTING AUTHORISATION FOR THE PURCHASE AND DISPOSAL OF TREASURY SHARES

Reasons for requesting authorisation for the purchase of treasury shares

Also in light of CONSOB Ruling No.16839 of 19 March 2009, without prejudice to the provisions contained in EU Regulation No. 596/2014, the reasons for which authorisation for the purchase of treasury shares is requested are to encourage standard trading, to avoid changes in share prices that are not in line with the market trend and to ensure appropriate support of market liquidity. In this regard, it should be recalled that the faculty to buy and sell treasury shares, which has now become a standard practice for listed companies, is considered an important element of management flexibility to be used to promote standard trading (for example in the event of share fluctuation depending on possible temporary lack of demand or supply) and, in any case, whenever market conditions are suitable for these purposes.

Moreover, authorisation is required, pursuant to Article 5 of EU Regulation No. 596/2014: (i) to satisfy the obligations arising from debt instruments that can be converted into share instruments (in relation to the "Bond", in order to offer the Company another instrument to satisfy the right of the bondholders in question to request the conversion of equity-linked bonds into already existing (and/or newly-issued) ordinary company shares in accordance with the "Bond" regulations, and (ii) to fulfil obligations arising from option programmes on shares or other allocations of shares to employees or members of the boards of directors or auditors of the issuer or of an associate. Moreover, within the limits of the provisions contained in CONSOB Ruling No.16839 of 19 March 2009, insofar as compatible with the provisions of EU Regulation No. 596/2014, authorisation is also required for the purpose of allowing the setting up of a "share stock" to be used for extraordinary transactions (for example, share exchanges, transfers and securities lending) during possible strategic operations of interest for the Company.

Reasons for requesting authorisation for the disposal of treasury shares

The purpose for requesting authorisation to dispose of treasury shares, as already described in

paragraph 1, is to satisfy the right of bondholders, in relation to the “Bond”, to request the conversion of equity-linked bonds into already existing ordinary treasury shares.

3.3 DURATION OF AUTHORISATION FOR PURCHASE AND DISPOSAL OF TREASURY SHARES

Duration of authorisation for purchase of treasury shares

As resolved upon by past Shareholders’ Meetings, we are proposing to renew as of immediately authorisation for the Board of Directors to purchase ordinary treasury shares for a period of 12 months as from 29 May 2018 (and hence until Tuesday 28 May 2019).

Duration of authorisation for disposal of treasury shares

Authorisation to dispose of treasury shares in order to satisfy the right of bondholders to request the conversion of equity-linked bonds into already existing ordinary treasury shares is requested as of the date of the Shareholders’ Meeting approving today’s Report and without any time restrictions.

3.4 MAXIMUM NUMBER, VALUE, PRICE AND PURCHASE PROCEDURE FOR SHARES

We are asking you to authorise the purchase of ordinary treasury shares of a nominal value of EUR 2.00 each, within a revolving maximum of 9,842,490 shares, equal to 10% of the share capital, also including shares already on hand, with the additional restriction that the value of the shares must not exceed, at any given time, the total of EUR 24,600,000.00 (without prejudice to the limit of distributable profit and available reserves pursuant to Article 2357, subsection one of the Italian Civil Code), setting a minimum unit purchase price of EUR 2.00 and a maximum unit price of no more than the average price of the last 10 days of stock exchange trading prior to the day of purchase, increased by 10%.

If this authorisation is granted, the criteria for calculating the share purchase price listed in the previous authorisation issued by the Shareholders’ Meeting, shall be renewed in order to allow the purchase price to be linked to the market trend, with a minimum limit such as to allow for appropriate operating flexibility.

Any shares resulting from subscription of the share capital increase with exclusion of the right of pre-emption pursuant to Article 2441, subsection 5 of the Italian Civil Code, to be used for the “Bond” and resolved upon by the Extraordinary Shareholders’ Meeting of 15 December 2017, were clearly not taken into account when calculating the treasury shares that can be purchased by the Company.

Purchase transactions shall be performed, in any case, in compliance with Articles 2357 et seq. of the Italian Civil Code, Article 132 of Legislative Decree No. 58 of 24 February 1998, Article 144-bis of CONSOB Regulation No. 11971 of 14 May 1999 as subsequently amended, EU Regulation No. 596/2014, and all other applicable legislation.

Purchases shall be made on the Electronic Share Market pursuant to Article 144-bis, subsection one, letter b), of CONSOB Regulation No. 11971/99.

Pursuant to Article 2357-ter of the Italian Civil Code, the Company shall undertake to reduce equity by an amount equal to the value of treasury shares purchased; (i) by deducting from accounts the total corresponding to the relative nominal value of issued capital and (ii) by adjusting the extraordinary reserve by an amount equal to the premium (or discount) paid with regard to the nominal value of shares purchased.

Should you agree with the proposals, we hereby invite you to pass the following

RESOLUTION

“Having heard the Board of Directors’ Report, the Shareholders’ Meeting of Astaldi S.p.A.,

hereby resolves:

- 1. to renew as of immediately for a 12-month period as from 29 May 2018, the authorisation for the Board of Directors, pursuant to Articles 2357 et seq. of the Italian Civil Code and Article 132 of Legislative Decree No. 58 of 24 February 1998, to purchase ordinary shares of the Company on the Electronic Share Market within a revolving maximum of 9,842,490 shares, equal to 10% of the share capital, with a nominal value of EUR 2.00 each, at a unit price of no less than EUR 2.00 and no more than the average price of the last 10 days of stock exchange trading prior to the day of purchase, increased by 10%, with the additional restriction that the total of shares must not exceed a total of EUR 24,600,000.00, without prejudice to the limit of distributable profit and available reserves pursuant to Article 2357, subsection one of the Italian Civil Code. Purchase transactions shall be performed, in any case, in compliance with Articles 2357 et seq. of the Italian Civil Code, Article 132 of Legislative Decree No. 58 of 24 February 1998, Article 144-bis of CONSOB Regulation No. 11971 of 14 May 1999 as subsequently amended, EU Regulation No. 596/2014, and all other applicable legislation.*

2. *as regards the procedures for selling and/or disposing of purchased shares, without prejudice to the authorisation already granted in this regard, without time restrictions, by the Shareholders' Meeting of 18 April 2011, and in addition to this, to authorise the Board of Directors – in relation to the equity-linked bond approved on 13 June 2017 (the “**Bond**”) – as of today's date and without time restrictions – to use the shares allocated to form the “share stock” in compliance with Bond regulations, within the limits of the provisions of CONSOB Ruling No. 16839 of 19 March 2009 and without prejudice to the provisions contained in EU Regulation No. 596/2014, also to satisfy the right of bondholders to request the conversion of equity-linked bonds into already existing ordinary treasury shares;*
3. *with reference to the bond resolved upon on 23 January 2013, to revoke the authorisation granted by the Shareholders' Meeting of 23 April 2013 to use the shares allocated to form the “share stock” to satisfy the right of bondholders to request the conversion of equity-linked bonds into already existing ordinary treasury shares, insofar as to date, this bond has been paid off in full.*

Rome, 15 March 2018

Chairman of the Board of Directors

(Signed: Paolo Astaldi)