ASTALDI Società per Azioni

Registered Office: Via Giulio Vincenzo Bona 65, Rome

Share capital: €196,849,800.00 fully paid-in

Registered with the Companies Register of Rome under Tax Code Number: 00398970582

R.E.A. No.: 152353, VAT No.: 00880281001

EXPLANATORY REPORT BY THE BOARD OF DIRECTORS OF ASTALDI S.P.A., DRAFTED PURSUANT TO ARTICLE 2441, SUBSECTION 6 OF THE ITALIAN CIVIL CODE AND ARTICLE 72 OF CONSOB REGULATIONS 11971/99, AS AMENDED, RELATED TO THE PROPOSED SHARE CAPITAL INCREASE RESOLUTION WITH EXCLUSION OF THE RIGHT OF PRE-EMPTION PURSUANT TO ARTICLE 2441, SUBSECTION 5 OF THE ITALIAN CIVIL CODE, SUBMITTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING TO BE HELD BY 21 DECEMBER 2017.

Dear Shareholders,

The Board of Directors of Astaldi S.p.A. ("**Astaldi**" or "**Company**") has called an Extraordinary Shareholders' Meeting to submit for your approval a proposed share capital increase for consideration and divisibly, with exclusion of the right of pre-emption pursuant to Article 2441, subsection 5 of the Italian Civil Code, for a total maximum amount of €35,706,998 to be released in one or more tranches through the issue of a maximum of 17,853,499 Astaldi ordinary shares of a nominal value of €2.00 each, having the same characteristics as ordinary shares already in circulation ("**Share Capital Increase**").

The proposed Share Capital Increase is instrumental to assignment to the holders of bonds ("**Bonds**") of the equity-linked bond loan of a nominal total amount of €140,000,000.00, falling due on 21 June 2024, called "*€140,000,000 4.875 per cent. Equity Linked Notes due 2024*" ISIN XS1634544248, approved on 13 June

2017 and placed in full on 14 June 2017 ("**Loan**"), of the right to request possible conversion of Bonds into already existing and/or newly-issued Company shares.

The Board of Directors of Astaldi has drafted this report in order to explain the proposed Share Capital Increase pursuant to Article 2441, subsection 6 of the Italian Civil Code and Article 72 of CONSOB Regulations No. 11971 of 14 May 1999, as amended ("**Issuers' Regulations**").

1. REASONS BEHIND THE TRANSACTION AND ALLOCATION OF COLLECTED FUNDS, ALSO IN RELATION TO THE COMPANY'S OPERATING PERFORMANCE – EXCLUSION OF RIGHT OF PRE-EMPTION

The Share Capital Increase that the Board of Directors is submitting for your approval forms part of a more extensive loan issue reserved exclusively for the national and international qualified investor market, pursuant to Regulation S of the US Securities Act of 1933, as amended, with the exclusion of the United States of America, Australia, Canada and Japan.

Characteristics and aims of Loan issue and Repurchase

The Board of Directors' Meeting of 13 June 2017 approved the Loan issue and main terms and characteristics of said loan.

Placement of Bonds by BNP Paribas S.A. ("**BNP Paribas**"), HSBC Bank plc ("**HSBC**") and UniCredit Bank AG, Milan Branch ("**UniCredit**"), as Joint Global Coordinators and Joint Bookrunners, commenced on 14 June 2017 and was terminated on the same date with complete placement of the Loan with national and international qualified investors.

The transaction was regulated on 21 June 2017 through issue of the Bonds and payment by investors of the subscription price. The amount for the issue totalled a maximum of €140,000,000.00.

The reasons why the offer of Bonds was reserved for qualified investors lie in the complex financial characteristics of the equity-linked Bonds, as well as in the desire to guarantee the transaction's positive outcome in a short period of time. The specific characteristics of equity-linked Bonds means that they are not destined for any investors other than qualified investors and, specifically no retail investors. Indeed, these instruments are highly volatile and are traded in a market that is structurally not accessible to retail investors due to the negotiation processes and quantities traded. The risk characteristic of these instruments and the complexity of contractual documentation regulating the Bonds makes this investment not suitable for retail investors.

The income from Bond issue was allocated to repayment of the bond loan called "*Euro 130,000,000 4.50 per cent. Equity-Linked Notes due 31 January 2019*" issued on 31 January 2013 ("**2013 Bonds**"), through a procedure known as *reverse bookbuilding* ("**Repurchase**") and, with reference to placement of the Bonds of an amount in excess of the resources needed to pay the sum due for Repurchase of 2013 Bonds, at the Company's cash requirements.

The Company repurchased the 2013 Bonds through payment in cash of an amount equal to 106.5% of the nominal value of each of the 2013 Bonds involved in the Repurchase, in addition to interest accrued and not paid up to the payment date (excluded), as disclosed to the market on 14 and 23 June 2017 as part of the Repurchase procedure. On 15 September 2017, following Repurchase and pursuant to the 2013 Bonds regulations, the Company exercised the faculty of advance and complete repayment of the 2013 Bonds not involved in the Repurchase still in circulation at their nominal value (together with interest accrued and still to be paid on the date in question) with consequent complete settlement of the latter, in consideration of the fact that following the Repurchase close date, a percentage of the nominal amount of the originally-issued 2013 Bonds of less than 15% (fifteen percent) was still in circulation.

The Bond issue and Repurchase form part of the financial strategy outlined in the 2017-2021 Strategic Plan approved by the Board of Directors on 5 April 2017, which provides for consolidation of the Company's financial structure, to also be performed by extending contractual expiry dates.

These are the reasons why the Board of Directors feels that this Transaction has fully met the Company's interest and aforementioned goals of consolidating its financial structure.

The main advantages for the Company arising from placement of the Loan include:

- an increase in the Company's financial flexibility;
- rescheduling of the due date of the debt arising from the 2013 Bonds;
- the possibility of benefitting from positive market conditions through quick placement with national and international qualified investors.

Characteristics and aims of Share Capital Increase

In keeping with the provisions contained in the 2013 Bonds regulations, the Loan regulations provide for the Company's Extraordinary Shareholders' Meeting to resolve upon the proposed Share Capital Increase to be used to convert the Loan by 21 December 2017 ("**Long Stop Date**"). Following this, the Company shall be obliged to send BNP Paribas Trust Corporation UK Limited (which will act in capacity of trustee) and bond holders a notification assigning the latter, as from the date listed on said notification which, in any case, may not be any later than the tenth day of stock exchange trading subsequent to the notification, the right to request conversion of the bonds into already existing and/or newly-issued ordinary shares. The Company shall have the faculty to regulate conversion through Astaldi ordinary shares or cash or a combination of cash and shares.

It must also be recalled that, unlike the 2013 Bonds – whose regulations provided for the possibility of conversion into ordinary shares as from the first anniversary of the issue date – the Bonds shall grant their relative holders the right to request conversion of the Bonds into shares at any given moment as from the date listed in the aforementioned notification of registration of the Share Capital Increase resolution, with it being understood that said date must not be later than the tenth day of stock exchange trading subsequent to the notification.

In the event in which the Company's Extraordinary Shareholders' Meeting fails to resolve upon the Share Capital Increase by the Long Stop Date, the Bonds must be repaid at the following values, whichever is greater: (a) 102% (one hundred and two percent) of the nominal value plus interest accrued and not paid up to the advance repayment date (excluded); and (b) 102% (one hundred and two percent) of the fair value (meaning the price calculated by an independent financial consultant as the average Bond price during the five days of stock exchange trading subsequent to notification of lack of approval by the Shareholders' Meeting) of the Bonds plus interest accrued and not paid up to the advance repayment date (excluded).

As mentioned above, the reasons for exclusion of the right of pre-emption, pursuant to Article 2441, subsection 5 of the Italian Civil Code in relation to the proposed share capital increase reflect the reasons behind the Loan issue, considered in relation to the more extensive transaction described above. Therefore, in light of the characteristics, timeframe and aims of the transaction in question, the Board of Directors feels that there is a specific interest on the part of the Company in increasing its share capital pursuant to Article 2441, subsection 5 of the Italian Civil Code, with exclusion of the right of pre-emption of Company shareholders.

Lastly, it must be noted that should the Extraordinary Shareholders' Meeting resolve upon the Share Capital Increase to be used for the new bond loan, the Company shall be called upon to amend Article 6 of the Bylaws so as to list the total maximum number of shares to be issued and corresponding nominal counter-value, as well as to grant Bondholders exercise of the right of conversion into Company shares.

Moreover, considering that the previous bond loan called "Euro 130,000,000 4.50 per cent. Equity-Linked Notes due 31 January 2019" issued on 31 January 2013 was settled with issue of the new bond loan and that none of the previous holders of "2013 Bonds" exercised the right of conversion into shares, it is also necessary to delete from the aforementioned Article 6 of the Bylaws the paragraph referring to the share capital increase resolved upon on 23 April 2013 in order to make exclusive reference to the new share capital increase.

2. DESCRIPTION OF STRUCTURE OF TRANSACTION

Bond characteristics

Based on the resolutions passed by the Board of Directors' Meeting of 13 June 2017 and the decisions taken by the Chairman of the Board of Directors on 14 June 2017 by virtue of the powers granted by the Board of Directors, the Bonds have the following main characteristics, further to Placement and pursuant to the Loan regulations:

- Amount: €140,000,000 (one hundred and forty million);
- Currency: Euro;
- Recipients: the bonds were placed with Italian qualified investors and international institutional investors, with the exclusion of the United States of America, Australia, Canada and Japan pursuant to Regulation S of the US Securities Act of 1933, as amended;
- Nominal value: Euro 100,000 (one hundred thousand);
- Return: fixed-rate;
- Conversion price: equal to €7.8416, corresponding to 135% of the volume weighted average price (VWAP) of the Company's ordinary shares observed on the Electronic Share Market (Mercato Telematico Azionario – MTA) organised and managed by Borsa Italiana S.p.A. between the opening and closure of trading on 14 June 2017;
- Coupon for cash: 4.875% YOY;
- Payment of interest: fixed coupon to be paid after the date on a quarterly basis on 21 March, 21 June, 21 September and 21 December of each year;
- Duration: 7 (seven) years, with the exception of cases of advance repayment listed below;
- Listing: Third Market of Vienna Stock Exchange (multilateral trading system);
- Capital repayment: the capital must be repaid in a single sum of cash equal to the nominal value at the loan due date (*i.e.* 21 June 2024), except in the case of advance repayment. Specifically, bondholders shall have the right to request advance repayment of bonds (i) on the fifth anniversary of the Bond issue and payment date (*i.e.* 21 June 2022), at the nominal value plus interest accrued and not paid up to said date; (ii) upon the occurrence of some events (change of control, reduction of floating capital of ordinary shares under a set limit) in accordance with the terms and conditions listed in the Loan regulations;
- Possible conversion: Bondholders have the right to request conversion subsequent and subject to approval by the Company's Extraordinary Shareholders' Meeting of the Share Capital Increase to be used exclusively for the Loan up to the date that falls thirty-one trading days prior to the bond loan due date (*i.e.* 21 June 2024). The initial Bond conversion price is €7.8416, save for any adjustments

provided for in the Loan regulations. The nominal value of shares to be issued during conversion may not exceed the credit due to bondholders as repayment of Bonds in the event of lack of conversion. The number of shares to be issued or transferred for the conversion shall be calculated by dividing the nominal amount of Bonds, in relation to which the right of conversion shall be exercised, by the conversion price (as possibly amended at the conversion date) rounding down to the nearest whole number of ordinary shares. No fractions of shares shall be issued or delivered and no payment in cash or adjustment shall be made in place of these fractions. The Company shall have the faculty to give the bondholder exercising the right to request conversion, either Astaldi ordinary shares or cash or a combination of cash and shares, in accordance with the terms and conditions provided for in the Loan regulations.

The decision regarding the Company's faculty to give shares or repay the loan in cash or using a combination of cash and shares shall be reserved to a Committee appointed by the Board of Directors and which must comprise at least three company directors including the Chairman and Chief Executive Officer. As regards this aspect, the Committee shall take related decisions based on a series of elements taken into consideration on a case-by-case basis, including by way of example but not limited to, the share's performance, set targets, market conditions and rates, the business plan and other elements deemed most suitable, on a case-by-case basis, to ensure consistency with corporate strategies.

- Cases of adjustment: the initial conversion price may be subject to adjustment in compliance with the market practise in use for this type of debt instrument, upon the occurrence, inter alia, of the following events: grouping or fractioning of shares, free share capital increase through assignment to capital of profit or reserves, distribution of dividends over a set limit, issue of shares or financial instruments reserved to shareholders or assignment of options, warrants or other rights of subscription/purchase of shares or financial instruments to shareholders, issue of shares or assignment of options, warrants or other rights of subscription/purchase of shares (or issue of convertible financial instruments or instruments that can be exchanged with shares), amendment of rights of conversion/exchanges related to other financial instruments, change of control;
- Applicable law: British law, with the exception of bondholder meetings that shall be regulated by Italian legislation.

3. COMPOSITION OF SHORT-TERM AND MEDIUM/LONG-TERM NET FINANCIAL DEBT

Income from Bond issue was used by the Company to perform the Repurchase.

The transaction did not have a significant incidence on the Company's and Group's short-term and medium/long-term financial debt insofar as in light of the Bond issue and contextual Repurchase, there was only an increase of 10 million Euro as regards long-term debt, given that Bonds were issued for a total nominal amount of 140 million Euro, against the nominal amount of 130 million Euro for 2013 Bonds.

4. EXISTENCE OF UNDERWRITING SYNDICATES AND/OR PLACEMENT ASSOCIATIONS, RELATIVE COMPOSITION AND PROCEDURES AND TERMS OF ACTION

No underwriting syndicate and/or placement association is provided for in relation to the Share Capital Increase insofar as said increase is destined to be used exclusively for the Loan.

Moreover, it must be noted that the Bonds were completely placed by BNP Paribas, HSBC Bank plc and UniCredit Bank AG, Milan Branch, as Joint Global Coordinators and Joint Lead Manager, with Italian and international qualified investors, pursuant to Regulation S of the US Securities Act of 1933, as amended, with the exclusion of the United States of America, Australia, Canada and Japan.

5. OTHER FORMS OF ENVISAGED PLACEMENT

No other forms of placement other than those listed in the paragraph above are envisaged.

6. CRITERIA ON THE BASIS OF WHICH THE ISSUE PRICE OF NEW SHARES WAS CALCULATED

Considering the characteristics of the Bonds and the Share Capital Increase to be used for Loan conversion, the Company's Board of Directors resolved to propose to the Shareholders' Meeting that the issue price of new shares arising from said Share Capital Increase be equal to the conversion price of Bonds, with it being firmly understood that the former (issue price of new shares) must be based on the criteria as per Article 2441, subsection 6 of the Italian Civil Code, and hence based on the equity resulting from the Company's most recently-approved financial statements, also taking into account the performance of Astaldi's share on the Electronic Share Market (Mercato Telematico Azionario – MTA) during the last half-year.

The conversion price of Bonds was calculated by appointed corporate bodies, based on the measurement criteria used in equivalent transactions and in line with market practice for said debt instruments. The conversion price was calculated subsequent to placement of the Loan, based on the market value of Astaldi shares. Specifically, the Volume Weighted Average Price (VWAP) of Astaldi's share on the Italian Stock

Exchange from the launch of the transaction to pricing was used as a reference. Hence, a conversion premium of 35% was applied to said market value – equal to €5.8086 – taking into account, in any case, the criteria as per Article 2441, subsection 6 of the Italian Civil Code for the purpose of calculating said price.

Based on the aforementioned criteria, the price of conversion of Bonds into already existing and/or newly-issued ordinary shares and hence the issue price of new shares – was calculated as €7.8416.

In compliance with Article 2441, subsection 6 of the Italian Civil Code, the Board of Directors considered the value of equity per share as €7.2432 per share, as per the Interim Report on Operations at 30 June 2017, for the purpose of setting the share issue price and also took into account the performance of Astaldi shares during the last half-year. Therefore, the Board of Directors considers the criteria used to calculate the share issue price to be in keeping with the criteria set down in Article 2441, subsection 6 of the Italian Civil Code and hence suitable to identify a price that maintains the equity interests of Company shareholders, in consideration of exclusion of the right of pre-emption.

7. SHAREHOLDERS THAT EXPRESSED THEIR WILLINGNESS TO SUBSCRIBE NEWLY-ISSUED SHARES

For the reasons listed above, the Board of Directors considered it fitting to propose to the Company's Shareholders' Meeting approval of the Share Capital Increase to be used exclusively for possible request to convert Bonds into newly-issued shares, therefore excluding the shareholders' faculty to exercise their right of pre-emption as per Article 2441, subsection 5 of the Italian Civil Code.

8. SIGNIFICANT DATES RELATED TO THE TRANSACTION

13 June 2017	Approval by the Board of Directors of the offer of equity-linked bonds and relative terms and conditions
14 June 2017	Placement of equity-linked bonds
21 June 2017	Loan and Repurchase settlement date
15 September 2017	Date of exercise of faculty of advance and complete repayment of 2013 Bonds not subject to Repurchase still in circulation at their nominal value (together with interest accrued and still to be paid

	up to said date) with consequent complete settlement of said bonds.
By 21 December 2017	Extraordinary Shareholders' Meeting to resolve upon the Share Capital Increase. The Share Capital Increase shall be irrevocable up to expiry of the deadline for any request to convert bonds and limited to the amount of shares resulting from exercise of the same conversion request.
21 June 2022	Bondholders' option of advance repayment to be exercised pursuant to the Loan regulations
21 June 2024	Bond loan due date

9. USE OF INSTRUMENTS

The shares to be offered to meet any Bond conversion requests shall have regular beneficial ownership and hence shall grant their holders equal rights with regard to shares already in circulation at the time of issue.

10. ECONOMIC AND FINANCIAL EFFECTS

Some information is provided below regarding the effects of the transaction on the Company's and Group's financial position and on the shares' unit value.

10.1 Suitable pro-forma economic and financial effects for representing the transaction's consequences on the financial performance and financial position.

Considering that neither the number of bonds involved in possible conversion requests, nor the time, nor the ways in which said conversion shall take place were known at the draft date of this report, it is necessary to formulate various hypotheses and assumptions in order to represent the transaction's consequences on the Company's financial performance and financial position:

- number of converted shares: three different simulation scenarios: no conversion; 50% conversion; complete conversion;

- conversion timeframe: upon Loan expiry for the total amount;
- equity: conventionally set as the equity attributable to owners of the Parent resulting from the interim Report on Operations at 30 June 2017;
- settlement option: conversion regulated exclusively through newly-issued ordinary shares.

Currency: Euro	**30/06/2017**
Equity attributable to owners of the Parent	€ 712,908,782
No. current shares	98,424,900
Current equity per share	€ 7.2432
Conversion price of new bonds	€ 7.8416
Placed amount	€ 140,000,000

Case a: No conversion

No. issued shares	0
No. shares after increase	98,424,900
Pro-forma prospective equity	€ 712,908,782
Book equity increase	€ 0.0000
Pro-forma prospective equity per share	€ 7.2432
Current share capital	€ 196,849,800
Prospective share capital	€ 196,849,800

Case b: 50% conversion

No. issued shares	8,926,750
No. shares after increase	107,351,650
Pro-forma prospective equity	€ 782,908,782
Book equity increase	€ 70,000,000
Pro-forma prospective equity per share	€ 7.2929
Current share capital	€ 196,849,800
Prospective share capital	€ 214,703,300
Share premium reserve	€ 52.146.500

Case c: 100% conversion

No. issued shares	17,853,499
No. shares after increase	116,278,399
Pro-forma prospective equity	€ 852,908,782
Book equity increase	€ 140,000,000
Pro-forma prospective equity per share	€ 7.3351
Current share capital	€ 196,849,800

Prospective share capital	€ 232,556,799
Share premium reserve	€ 104,293,001

10.2 Effects on unit value of shares of possible dilution of this value.

Case a: No conversion

In the event of there being no conversion and hence no Share Capital Increase being necessary, there would be no change in Equity and it would continue to be €712,909,000. Considering that there would be no increase in the total number of Astaldi shares, the value of Equity per share would continue to be €7.2432.

Case b: 50% conversion

As a result of a 50% Share Capital Increase in the event of partial transformation, Equity would increase to €782,909,000 following the request for conversion at the price of €7.8416 per share.

Considering that the total number of parent company shares would increase from 98,424,900 to 107,351,650, the value of Equity per share would increase to €7.2929.

Case c: 100% conversion

As a result of a 100% Share Capital Increase following the request for conversion at the price of €7.8416 per share, Equity would increase to €852,909,000

Considering that the total number of parent company shares would increase from 98,424,900 to 116,278,399, the value of Equity per share would increase to €7.3351.

* * *

A copy of the Board of Directors' report in the above text was delivered to the independent auditors, pursuant to Article 158 of Legislative Decree No. 58 of 24 February 1998.

Dear Shareholders,

With regard to the content of this report, we would like you to approve the following proposals:

- *"Having heard the proposals formulated by the Board of Directors,*
- *having taken note of the Loan's main terms and conditions as detailed in the Board of Directors' Explanatory Report,*
- *having taken note of the opinion issued by the independent auditors' regarding the congruity of the issue price, and*
- *having noted the opportuneness of proceeding for the purposes and using the procedures detailed above,*

t*he Extraordinary Shareholders' Meeting hereby resolves*

1) *to approve the proposed share capital increase for consideration and divisibly, with exclusion of the right of pre-emption pursuant to Article 2441, subsection 5 of the Italian Civil Code for a total maximum amount of €35,706,998 to be released in one or more tranches through the issue of a maximum of 17,853,499 Astaldi ordinary shares of a nominal value of €2.00 each, having the same characteristics as ordinary shares in circulation, to be used exclusively and irrevocably for the equity-linked bond loan of a total amount of €140,000,000, reserved to qualified investors, called "*€140,000,000 4.875 per cent equity-linked bonds due 2024*", in accordance with the terms of the relative regulations, at a price per share (inclusive of nominal value and premium) of €7.8416, with the exception of any adjustments to the conversion price as provided for in the loan regulations. The number of shares to be used for conversion shall be calculated by dividing the nominal amount of bonds, in relation to which the conversion request shall be submitted, by the conversion price in force at the relative conversion date, rounding down to the nearest whole number of ordinary shares. Fractions of shares shall not be issued or delivered and no payment in cash or adjustment shall be performed in place of said fractions;*

2) *to approve sending by the Chairman [and Chief Executive Officer], including separately and with faculty of sub-delegation, of a notification to the trustee and bond holders that will assign the latter the*

right to ask for conversion of bonds held into already existing and/or newly-issued Astaldi ordinary shares;

3) *to establish that the deadline for subscription of newly-issued shares be set for 21 June 2024 which corresponds to the end of the seventh year following issue of the bond loan called "*€140,000,000 4.875 per cent equity-linked bonds due 2024*", with it being firmly understood that the share capital increase is irrevocable until expiry of the deadline for the bond conversion request and that in the event that, at said date, the share capital increase had not been subscribed in full, the share capital shall be taken as increased by an amount equal to the subscriptions collected, and starting from the latter, provided they are subsequent to filing of this resolution with the Companies Register;*

4) *to amend Article 6 of the Bylaws, entering a new subsection as follows, further to complete repayment of the 2013 Bonds and issue of the Bonds:*

Current wording	***Proposed wording***
Article 6	***Article 6***
The share capital shall be set at €196,849,800.00 (one hundred and ninety-six million, eight hundred and forty-nine thousand, eight hundred Euro and zero cents), fully paid-in and shall be split into 98,424,900 (ninety-eight million, four hundred and twenty-four thousand, nine hundred) shares of €2.00 (two Euro and zero cents). *The share capital may also be increased through contributions of credits or payments in kind.* *The share capital may also be increased through the issue of shares with different rights from those of already issued shares as well as through the issue of special categories of shares to be assigned individually to workers for assignment to the latter of Company profit, deciding on specific provisions as regards the format, method of transfer and rights due to shareholders.* *On 23 April 2013, the Extraordinary Shareholders' Meeting resolved to increase the share capital for consideration and divisibly, with exclusion of the right of pre-emption, pursuant to Article 2441, subsection 5 of the Italian Civil Code, for a total maximum amount of €35,137,034 to be released in one or more tranches through the issue of a*	*The share capital shall be set at €196,849,800.00 (one hundred and ninety-six million, eight hundred and forty-nine thousand, eight hundred Euro and zero cents), fully paid-in and shall be split into 98,424,900 (ninety-eight million, four hundred and twenty-four thousand, nine hundred) shares of €2.00 (two Euro and zero cents).* *The share capital may also be increased through contributions of credits or payments in kind.* *The share capital may also be increased through the issue of shares with different rights from those of already issued shares as well as through the issue of special categories of shares to be assigned individually to workers for assignment to the latter of Company profit, deciding on specific provisions as regards the format, method of transfer and rights due to shareholders.* ~~*On 23 April 2013, the Extraordinary Shareholders' Meeting resolved to increase the share capital for consideration and divisibly, with exclusion of the right of pre-emption, pursuant to Article 2441, subsection 5 of the Italian Civil Code, for a total maximum amount of €35,137,034 to be released in one or more tranches through the issue of a*~~

maximum of 17,568,517 Company's ordinary shares of a nominal value of €2.00 having the same characteristics as ordinary shares in circulation, to be used exclusively and irrevocably for the equity-linked bond loan of a total amount of €130,000,000, falling due on 31 January 2019, issued under the resolution passed on 23 January 2013, without prejudice to the fact that the deadline for subscription of newly-issued shares is set at 31 January 2019 and that in the event that, on said date, the share capital increase has not been subscribed in full, the share capital shall be taken as increased by an amount equal to the subscriptions collected.	~~*maximum of 17,568,517 Company's ordinary shares of a nominal value of €2.00 having the same characteristics as ordinary shares in circulation, to be used exclusively and irrevocably for the equity-linked bond loan of a total amount of €130,000,000, falling due on 31 January 2019, issued under the resolution passed on 23 January 2013, without prejudice to the fact that the deadline for subscription of newly-issued shares is set at 31 January 2019 and that in the event that, on said date, the share capital increase has not been subscribed in full, the share capital shall be taken as increased by an amount equal to the subscriptions collected.*~~ ***On [●], the Extraordinary Shareholders' Meeting resolved to increase the share capital for consideration and divisibly, with exclusion of the right of pre-emption, pursuant to Article 2441, subsection 5 of the Italian Civil Code, for a total maximum amount of €35,706,998 to be released in one or more tranches through the issue of a maximum of 17,853,499 ordinary shares of a nominal value of €2.00 having the same characteristics as ordinary shares in circulation, to be used exclusively and irrevocably for the equity-linked bond loan of a total amount of €140,000,000, falling due on 21 June 2024, issued under the resolution passed by the Board of Directors on 13 June 2017, without prejudice to the fact that the deadline for subscription of newly-issued shares is set at 21 June 2024 and that in the event that, on said date, the share capital increase has not been subscribed in full, the share capital shall be taken as increased by an amount equal to the subscriptions collected.***

5) *to bestow powers to the Board of Directors and on its behalf to the Chairman [and Chief Executive Officer, including separately] and with faculty of sub-delegation, to proceed with the relative share capital increase as per point 2), in any case by the deadline for the bond conversion request, undertaking filing of the relative documentation as required by law and consequent updating of the numerical expressions contained in Article 6 of the Bylaws;*

6) *to grant the Chairman and Chief Executive Officer, including separately and with faculty of sub-delegation, all the broadest powers to perform, including through appointed parties, all other actions needed or of use to*

implement the resolutions as above, as well as to perform all the formalities needed so as the resolutions are filed with the Companies Register, with the faculty of inserting any amendments, adjustments or additions that may be deemed fitting or requested by the relevant authorities, including when filing, and in general everything needed for complete enforcement of the resolutions, with each and every power needed and appropriate for this purpose, none excluded, including the task of filing the updated Bylaws with the relevant Companies Register."

On behalf of the Board of Directors

(Signed Mr. Paolo Astaldi)

Rome, 21 September 2017

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*Documentation related to the bond offer shall not be subject to approval by CONSOB pursuant to the applicable provisions and hence the bonds cannot be offered, sold or distributed to the general public within the Italian territory with the exception of qualified investors as defined pursuant to Article 100, letter a) of Legislative Decree No. 58 of 24 February 1998 as subsequently amended (hereinafter the "Consolidated Finance Act", as well as pursuant to Article 34-ter, subsection 1, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (hereinafter, "*CONSOB Regulation*") or in other circumstances provided for in Article 100 of the Consolidated Finance Act and in CONSOB Regulation.*

There will be no offer of sale to the general public of financial instruments or encouragement to purchase financial instruments in countries where said offer or encouragement would be prohibited by law. Financial instruments were not and shall not be subject to registration pursuant to the US Securities Act of 1933, as amended, and cannot be offered or sold in the United States in the absence of registration or a specific exemption from registration. No offer shall be made to the general public of financial instruments in the United States of America or in any other country.

Once the offer has been made, it shall be solely addressed to Member States of the European Union that have implemented Directive 2003/71/EC, as amended by Directive 2010/73EU ("**Prospectus Directive"**, and each of these **"Relevant Member State"***), to qualified investors as defined by Article 2(1)(e) of the Prospectus Directive and in accordance with the implementation laws and regulations respectively adopted by each of the Relevant States ("***Qualified Investors"***). It is to be assumed that each initial purchaser of financial instruments or each party to whom the offer can be addressed has declared, acknowledged and accepted or* *has been declared, acknowledged or accepted to be a Qualified Investor as defined above*.

It is to be assumed that should the offer of financial instruments be addressed to an investor in the capacity of financial broker, said investor has declared and accepted not to purchase financial instruments in the name and on behalf of parties within the European Union other than Qualified Investors, or of parties in the United Kingdom or in other member states (where a similar legislation is in force) in whose regard the investor has the power to take decisions in a totally discretional manner, as well as not to purchase financial instruments for the purpose of offering them or reselling them within the European Union where said circumstance would require publication of a prospectus pursuant to Article 3 of the Prospectus Directive.