



**ASTALDI SOCIETÀ PER AZIONI**

**BOARD OF DIRECTORS' REPORT**

**PURSUANT TO ART. 125-TER OF D.LGS. 58/1998**

**EXTRAORDINARY SESSION**

Dear Shareholders,

the Board of Directors of Astaldi S.p.A. communicates as follows in connection with the proposals that the Board itself intends to submit to the next Shareholders' Extraordinary Meeting called to be held on April 24, 2012, at first calling, and on April 26, 2012, at second calling.

## **EXTRAORDINARY SESSION**

### **Amendments to the Company's By-Laws**

Dear Shareholders,

in connection with the sole topic of the extraordinary session of the agenda, we submit to your examination the proposals of amendment to the Company's By-Laws that we deem necessary and advisable in order to supplement the same with new provisions in compliance with arts. 147-ter, paragraph 1-ter and 148, paragraph 1-bis of T.U.F., as well as art. 144-undecies of Consob Regulation No. 11971/99 in matter of ***"balance between genders in the composition of managing and auditing bodies"***.

In particular, we propose to amend art. 16, 17 and 25 of the Company's By-laws in matter of appointment and replacement of members of Directors and Auditors, in order to ensure, with a view to substantial equality, the balance between genders, thus favouring the less represented gender's access to corporate offices in accordance with applicable laws and regulations.

In connection with the above, a summary table setting forth the texts of the articles presently in force and of those which are proposed for adoption for comparative purposes is herewith enclosed, thus inviting the Shareholders, if agreeing with the above, to approve said proposals as set forth in the above-mentioned table (Annex 1).

It is specified that this proposal of amendment does not fall within the scope of application of the provisions of Section 2437 of the Italian Civil Code and, therefore, the Shareholders who do not take part in the relevant resolutions shall have no right to withdraw, in relation to all or part of their shares.

Rome, this 16<sup>th</sup> of March, 2012

The Chairman of the Board of Directors  
(Paolo Astaldi)

**TITLE IV**  
**Company management**  
**ART. 16**

The Company is managed by a Board of Directors composed of nine to fifteen members who meet the requirements provided for by laws and regulations. The directors, who may be also non-shareholders, hold office for the period of time as determined by the Shareholders' assembly, but not exceeding three years, and may be re-elected.

As a general rule, the Board of Directors is appointed by the Shareholders' Assembly based on lists, submitted by shareholders, setting forth the candidates listed by a progressive number.

Only shareholders globally holding, on their own or jointly with the other shareholders with whom they file the same list, a number of shares representing at least 2.5% (or a lower percentage as provided for by the provisions of applicable laws and regulations) of the company's share capital with voting right in shareholders' ordinary meetings, are entitled to file lists.

The lists, signed by the filing parties and complying with the law provisions, must be filed at the Company's registered office, according to the terms and manner provided for by applicable laws and regulations. The lists shall then be made available to the public pursuant to the provisions of applicable laws and regulations.

The lists shall set forth the candidates meeting the requirements of independence provided for by the law.

Each candidate may be registered in one list only, under penalty of ineligibility.

The lists shall be accompanied by:

- a) the information on the identity of the shareholders having filed the same, with the indication of the participating interest globally held, with a certificate issued by a chartered broker in compliance with the law, in order to prove the ownership of the number of shares necessary to file lists;
- b) the candidates' personal and professional curricula;

**TITLE IV**  
**Company management**  
**ART. 16**

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In order to ensure, with a view to substantial equality, the balance between genders and favour, at the same time, the less represented gender's access to corporate offices, one fifth of the members of the Board of Directors to be appointed on the occasion of the first renewal of such managing body taking place after August 12, 2012, and one third of the members to be appointed for the two terms of office subsequent thereto, shall belong to the gender which is less represented within the Board of Directors.

As a general rule, the Board of Directors is appointed by the Shareholders' Assembly based on lists, submitted by shareholders, setting forth the candidates listed by a progressive number.

Only shareholders globally holding, on their own or jointly with the other shareholders with whom they file the same list, a number of shares representing at least 2.5% (or a lower percentage as provided for by the provisions of applicable laws and regulations) of the company's share capital with voting right in shareholders' ordinary meetings, are entitled to file lists.

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Each candidate may be registered in one list only, under penalty of ineligibility.

The lists shall be accompanied by:

- a) the information on the identity of the shareholders having filed the same, with the indication of the participating interest globally held, with a certificate issued by a chartered broker in compliance with the law, in order to prove the ownership of the number of shares necessary to file lists;
- b) the candidates' personal and professional curricula;

<p>c) the candidates' statements by which the same attest, under their own responsibility, the possible fulfilment of the requirements of independence provided for by the law;</p> <p>d) the candidates' statements by which the same attest, under their own responsibility, the fulfilment of honour requirements and of any other requirement provided for by the laws and the company's by-laws for holding office;</p> <p>e) the candidates' statements by which the same attest, under their own responsibility, the inexistence of any reasons for ineligibility and incompatibility as provided for by the law and the company's by-laws;</p> <p>f) the candidates' statements by which the same attest, under their own responsibility, that there is no circumstance or event in connection with which the candidate may bring about a legal action against the company;</p> <p>g) the statements by which the single candidates accept their candidature;</p> <p>Each list shall include the candidature of individuals meeting the requirements of independence provided for by the law and their number shall be at least equal to the number of independent directors who, according to the law, shall make part of the board of directors.</p> <p>In accordance with section 2387 of the Italian Civil Code, candidature as director may be submitted only by the individuals who:</p> <p>a) have accrued at least a three-year experience in the following:</p> <ul style="list-style-type: none"> <li>- administration or auditing activities, or managing tasks with joint-stock</li> </ul>	<p>c) the candidates' statements by which the same attest, under their own responsibility, the possible fulfilment of the requirements of independence provided for by the law;</p> <p>d) the candidates' statements by which the same attest, under their own responsibility, the fulfilment of honour requirements and of any other requirement provided for by the laws and the company's by-laws for holding office;</p> <p>e) the candidates' statements by which the same attest, under their own responsibility, the inexistence of any reasons for ineligibility and incompatibility as provided for by the law and the company's by-laws;</p> <p>f) the candidates' statements by which the same attest, under their own responsibility, that there is no circumstance or event in connection with which the candidate may bring about a legal action against the company;</p> <p>g) the statements by which the single candidates accept their candidature;</p> <p><i>Each list shall include the candidature of individuals, the number of whom shall be at least equivalent to the number of independent directors who are required to be part of the Board of Directors according to the law, meeting the requirements of independence provided for by the laws and regulations applicable to the auditors of companies listed in Italian regulated stock markets the law and their number shall be at least equal to the number of independent directors who, according to the law, shall make part of the board of directors".</i></p> <p><i>Each list containing three or more candidates shall include a number of candidates who, meeting the above requirements, belong to the gender which is less represented within the Board of Directors, in the proportion of one fifth of the candidates for members of the Board of Directors to be appointed on the occasion of the first renewal of such managing body taking place after August 12, 2012, and one third of the candidates for members of the Board of Directors to be appointed for the two terms of office subsequent thereto.</i></p> <p><i>The notice of calling may set forth additional details relating to the formation and operation of the lists in order to comply with the provisions of laws and regulations in force with reference to the composition of the Company's Board of Directors.</i></p> <p>In accordance with section 2387 of the Italian Civil Code, candidature as director may be submitted only by the individuals who:</p> <p>a) have accrued at least a three-year experience in the following:</p> <ul style="list-style-type: none"> <li>- administration or auditing activities, or managing tasks with joint-stock companies having a corporate capital of not less than two million euros;</li> </ul>
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<p>companies having a corporate capital of not less than two million euros;</p> <ul style="list-style-type: none"> <li>- professional activities or regular university teaching in legal, economic, financial, or technical/scientific subjects related to the sectors of building and construction in general, of public and private works, and acquisition and execution of works under concession contracts;</li> <li>- management functions with public bodies or public authorities operating in the credit, financial, and insurance sectors, or in any event in the sectors as described in the paragraph above.</li> </ul> <p>b) are neither directors nor employees of Company's competitors, nor consultants or collaborators of such competitors;</p> <p>c) have not any interest in pending disputes against the Company or any of the companies belonging to the Group;</p> <p>d) meet the requirements provided for by behavioural codes adopted by the Company.</p> <p>Each shareholder and the shareholders belonging to the same group (such latter shareholders being the shareholders holding, between them, a relationship of direct or indirect control or connection, or who are controlled by the same entity) as well as the shareholders having entered into - or whose controlling entities have entered into - an agreement as per art. 122 of Legislative Decree No. 58 of 24 February 1998, may submit, contribute to the submission of, and vote one list only, even by means of third parties or trust companies.</p> <p>The lists which fail to comply with the above provisions shall be considered as not submitted.</p> <p>The assents and votes cast in breach of the above provisions shall not be attributed to any list.</p> <p>The members of the Board of Directors are elected as follows.</p> <ol style="list-style-type: none"> <li>1) a number of directors equivalent to the total number of the members of the Board of directors fixed by the shareholders' assembly less one are drawn, in the progressive number in which they are listed in the list, from the list that has obtained the highest number of votes cast by the shareholders. In the event no list has obtained a number of votes higher than the others, the Shareholders' Meeting shall be called again for a new voting session to be held pursuant to this article;</li> <li>2) one Director, that is the candidate ranking first in the list, is drawn from the list which ranked second in number of votes and which is not connected, in accordance with the criteria provided for by the laws governing the</li> </ol>	<ul style="list-style-type: none"> <li>- professional activities or regular university teaching in legal, economic, financial, or technical/scientific subjects related to the sectors of building and construction in general, of public and private works, and acquisition and execution of works under concession contracts;</li> <li>- management functions with public bodies or public authorities operating in the credit, financial, and insurance sectors, or in any event in the sectors as described in the paragraph above.</li> </ul> <p>b) are neither directors nor employees of Company's competitors, nor consultants or collaborators of such competitors;</p> <p>c) have not any interest in pending disputes against the Company or any of the companies belonging to the Group;</p> <p>d) meet the requirements provided for by behavioural codes adopted by the Company.</p> <p>Each shareholder and the shareholders belonging to the same group (such latter shareholders being the shareholders holding, between them, a relationship of direct or indirect control or connection, or who are controlled by the same entity) as well as the shareholders having entered into - or whose controlling entities have entered into - an agreement as per art. 122 of Legislative Decree No. 58 of 24 February 1998, may submit, contribute to the submission of, and vote one list only, even by means of third parties or trust companies.</p> <p>The lists which fail to comply with the above provisions shall be considered as not submitted.</p> <p>The assents and votes cast in breach of the above provisions shall not be attributed to any list.</p> <p>The members of the Board of Directors are elected as follows.</p> <ol style="list-style-type: none"> <li>1) a number of directors equivalent to the total number of the members of the Board of directors fixed by the shareholders' assembly less one are drawn, in the progressive number in which they are listed in the list, from the list that has obtained the highest number of votes cast by the shareholders. In the event no list has obtained a number of votes higher than the others, the Shareholders' Meeting shall be called again for a new voting session to be held pursuant to this article;</li> <li>2) one Director, that is the candidate ranking first in the list, is drawn from the list which ranked second in number of votes and which is not connected, in accordance with the criteria provided for by the laws governing the appointment of minority auditors, with the shareholders having submitted or voted the list</li> </ol>
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<p>appointment of minority auditors, with the shareholders having submitted or voted the list which ranked first in number of votes. In the event two or more lists filed by minority shareholders have obtained the same number of votes, the candidate senior in age among those ranking first in the lists having obtained an equal number of votes is appointed as director.</p> <p>For the purpose of allotment of the directors to be appointed, the lists which have not obtained a percentage of votes of at least one half the minimum percentage required for submitting the lists themselves, shall not be taken into account. In the event one sole list or not any list is submitted, the shareholders' assembly shall resolve according to the majorities provided for by the law, without following the above procedure.</p>	<p>which ranked first in number of votes. In the event two or more lists filed by minority shareholders have obtained the same number of votes, the candidate senior in age among those ranking first in the lists having obtained an equal number of votes is appointed as director.</p> <p><i>In the event that, at the end of the voting session, the above proportions between genders appear not to have been complied with, the list having obtained the higher number of votes shall be scrolled down by replacing the last selected candidate by the first candidate of the less represented gender. In the event the balance between genders is not achieved by scrolling down the list as set forth above, the last paragraph of this article shall apply.</i></p> <p>For the purpose of allotment of the directors to be appointed, the lists which have not obtained a percentage of votes of at least one half the minimum percentage required for submitting the lists themselves, shall not be taken into account. In the event one sole list or not any list is submitted, <i>or it is not possible to appoint any candidate while complying with the balance of genders</i>, the shareholders' assembly shall resolve according to the majorities provided for by the law, without following the above procedure, <i>without detriment to the obligation to achieve the balance between genders.</i></p>
<p style="text-align: center;"><b>ART. 17</b></p> <p>The vacancy, during the fiscal year, of one or more directors appointed from the list having obtained the higher number of votes, provided that the majority is still constituted of directors appointed by the shareholders' assembly, shall be filled in accordance with the provisions of section 2386 of the Italian Civil Code.</p> <p>The vacancy, during the fiscal year, of the director appointed from the list which ranked second in number of votes, shall be replaced pursuant to the following:</p> <p>a) the Board of Directors appoints the new director from the candidates within the same list to which the director terminated from office belonged, provided that the shareholders who submitted such list still hold the participating interest required for submitting the list, and the shareholder' meeting to be</p>	<p style="text-align: center;"><b>ART. 17</b></p> <p>The vacancy, during the fiscal year, of one or more directors appointed from the list having obtained the higher number of votes, provided that the majority is still constituted of directors appointed by the shareholders' assembly, shall be filled in accordance with the provisions of section 2386 of the Italian Civil Code. <i>The Board of Directors shall appoint the new director to fill-in such vacancy, as the same shall be appointed by the shareholders' meeting to be held thereafter, anyway in accordance with the majorities provided for by the law and these By-laws in matter of minimum number of independent directors and, in the event of termination of one or more directors occurs after the first renewal of the Board of Directors taking place after August 12, 2012, or during the two terms of office subsequent thereto, any such new director shall be appointed in accordance with the provisions applicable in matter of balance between genders.</i></p> <p>The vacancy, during the fiscal year, of the director appointed from the list which ranked second in number of votes, shall be replaced pursuant to the following:</p> <p>a) the Board of Directors appoints the new director from the candidates within the same list to which the director terminated from office belonged, provided that the shareholders who submitted such list still hold the participating interest</p>

held thereafter shall resolve, according to the majorities provided for by the law, in compliance with the same principle;

- b) in the event the new director can not be appointed from the list which ranked second in number of votes, the Board of Directors appoints the new director from the candidates within the lists which ranked lower than second in number of votes, in progressive order, provided that the shareholders who submitted the list from which the new director is appointed still hold the participating interest required for submitting the list, and the shareholder' meeting to be held thereafter shall resolve, according to the majorities provided for by the law, in compliance with the same principle;
- c) in the event there is not any candidate who has not been appointed yet, or anyway when the provisions of paragraphs a) and b) can not be complied with for any reason whatsoever, the Board of Directors shall appoint the new director, as the same shall be appointed by the shareholders' meeting to be held thereafter, in accordance with the majorities provided for by the law and without the list vote, but still in compliance with the provisions of laws and regulations in matter of minimum number of independent directors.

Should for any reason the majority of Directors be vacant, the entire Board of Directors shall fall from office, and the directors still holding office shall urgently call the Shareholders' Meeting for the appointment of the new Board of Directors in accordance with article 16 above. The Board of Directors shall also hold office until the Shareholders' Meeting shall have resolved upon the renewal of such body and until the appointment shall have been accepted by more than half of the new

required for submitting the list, and the shareholder' meeting to be held thereafter shall resolve, according to the majorities provided for by the law, in compliance with the same principle; **In the event the subject-matter termination of any director occurs after the first renewal of the Board of Directors taking place after August 12, 2012, or during the two terms of office subsequent thereto, and determines any change in the balance of genders within the Board of Directors, as per the foregoing article, replacement shall take place by scrolling down the list up to reaching a candidate belonging to the less represented gender;**

- b) in the event the new director can not be appointed from the list which ranked second in number of votes pursuant to paragraph a) above, the Board of Directors – in compliance with the provisions governing the balance between genders, in the event the termination occurs after the first renewal of such managing body taking place after August 12, 2012 or during the two terms of office subsequent thereto - appoints the new director from the candidates within the lists which ranked lower than second in number of votes, in progressive order, provided that the shareholders who submitted the list from which the new director is appointed still hold the participating interest required for submitting the list, and the shareholder' meeting to be held thereafter shall resolve, according to the majorities provided for by the law, in compliance with the ~~same principle~~ same principles;
- c) in the event there is not any candidate who has not been appointed yet, or anyway when the provisions of paragraphs a) and b) can not be complied with for any reason whatsoever, the Board of Directors shall appoint the new director, as the same shall be appointed by the shareholders' meeting to be held thereafter, in accordance with the majorities provided for by the law and without the list vote, but still in compliance with the provisions of laws and regulations and these By-laws in matter of minimum number of independent directors and the provisions on the balance of genders, in the event the termination occurs after the first renewal of such managing body taking place after August 12, 2012, or during the two terms of office subsequent thereto.

Should for any reason the majority of Directors be vacant, the entire Board of Directors shall fall from office, and the directors still holding office shall urgently call the Shareholders' Meeting for the appointment of the new Board of Directors in accordance with article 16 above. The Board of Directors shall also hold office until the Shareholders' Meeting shall have resolved upon the renewal of such body and until

<p>Directors. Until then, the Board of Directors may perform exclusively ordinary administration tasks.</p>	<p>the appointment shall have been accepted by more than half of the new Directors. Until then, the Board of Directors may perform exclusively ordinary administration tasks.</p>
<p style="text-align: center;"><b>TITLE VI</b> <b>Board of Auditors</b> <b>ART. 25</b></p> <p>The Shareholders' Ordinary Meeting appoints the members of the Board of Auditors, determining their compensations.</p> <p>The Board of Auditors is formed of three Standing Auditors and three Alternate Auditors, who hold office for a period of three fiscal years, with the powers and obligations provided for by the law. Minority shareholders are entitled to appoint one Standing Auditor, who shall operate as Chairman of the Board of Auditors, and one Alternate Auditor.</p> <p>As a general rule, the Board of Auditors is appointed based on lists, submitted by shareholders, setting forth the candidates indicated by a progressive number. Each list has two sections, one relating to candidates for Standing Auditors, and the other to candidates for Alternate Auditors.</p> <p>Each list shall contain at least one candidate for Standing Auditor and at least one candidate for Alternate Auditor both registered with the roll of chartered auditors, who have carried out the auditing activity for a period of not less than three years. The candidates shall be listed, within the list, among the candidates for standing auditors and the candidates for alternate auditors, respectively, by the progressive number one or two.</p> <p>The candidates for auditor who do not meet the requirements as per the above paragraph are selected among those who have accrued an experience of at least three years in carrying out:</p> <ul style="list-style-type: none"> <li>a) administration or auditing activities, or managing tasks with joint-stock companies having a corporate capital of not less than two million euros;</li> <li>b) professional activities or regular university teaching in legal, economic,</li> </ul>	<p style="text-align: center;"><b>TITLE VI</b> <b>Board of Auditors</b> <b>ART. 25</b></p> <p>The Shareholders' Ordinary Meeting appoints the members of the Board of Auditors, determining their compensations.</p> <p>The Board of Auditors is formed of three Standing Auditors and three Alternate Auditors, who hold office for a period of three fiscal years, with the powers and obligations provided for by the law. Minority shareholders are entitled to appoint one Standing Auditor, who shall operate as Chairman of the Board of Auditors, and one Alternate Auditor.</p> <p style="color: red;">In order to ensure, with a view to substantial equality, the balance between genders and favour, at the same time, the less represented gender's access to corporate offices, one fifth of the standing members of the Board of Auditors to be appointed on the occasion of the first renewal of such auditing body taking place after August 12, 2011, and one third of the standing members to be appointed for the two terms of office subsequent thereto, shall belong to the gender which is less represented within the Board of Auditors.</p> <p>As a general rule, the Board of Auditors is appointed based on lists, submitted by shareholders, setting forth the candidates indicated by a progressive number. Each list has two sections, one relating to candidates for Standing Auditors, and the other to candidates for Alternate Auditors.</p> <p>Each list shall contain at least one candidate for Standing Auditor and at least one candidate for Alternate Auditor both registered with the roll of chartered auditors, who have carried out the auditing activity for a period of not less than three years. The candidates shall be listed, within the list, among the candidates for standing auditors and the candidates for alternate auditors, respectively, by the progressive number one or two.</p> <p>The candidates for auditor who do not meet the requirements as per the above paragraph are selected among those who have accrued an experience of at least three years in carrying out:</p> <ul style="list-style-type: none"> <li>a) administration or auditing activities, or managing tasks with joint-stock companies having a corporate capital of not less than two million euros;</li> <li>b) professional activities or regular university teaching in legal, economic, financial,</li> </ul>



<p>financial, or technical/scientific subjects closely related to the sectors of building and construction in general, of public and private works, and acquisition and execution of works under concession contracts;</p> <p>c) management functions with public bodies or public authorities operating in the credit, financial, and insurance sectors, or in any event in the sectors as described in the paragraph above.</p> <p>Each shareholder and the shareholders belonging to the same group (such latter shareholders being the shareholders holding, between them, a relationship of direct or indirect control or connection, or who are controlled by the same entity) as well as the shareholders having entered into - or whose controlling entities have entered into - an agreement as per art. 122 of Legislative Decree No. 58 of 24 February 1998, may submit, contribute to the submission of, and vote one list only, even by means of third parties or trust companies.</p> <p>Each candidate may be registered in one list only, under penalty of ineligibility.</p> <p>Those who hold office as Standing Auditors in more than four companies listed in the Italian regulated stock markets or in the regulated stock markets of other European Union member countries, as well as in companies issuing financial instruments widely diffused among the public pursuant to laws and rules governing the matter, cannot be appointed as Auditors.</p> <p>Only shareholders globally holding, on their own or jointly with the other shareholders, a number of shares representing at least 1% (or the minimum percentage provided for by the provisions of applicable laws and regulations) of the company's share capital with voting right in shareholders' ordinary meetings, are entitled to file lists.</p> <p>The lists shall be signed by the shareholder or shareholders submitting the same (also by proxy to one of them) and filed with the company's registered office in accordance with the terms and manner provided for by applicable laws and regulations.</p> <p>The lists shall be accompanied by:</p> <ol style="list-style-type: none"> <li>the information on the identity of the shareholders having filed the same, with the indication of the participating interest globally held, with a certificate issued by a chartered broker setting forth the ownership of the participating interest;</li> <li>a description of the candidates' personal and professional characteristics, as well as the statements by which the individual candidates accept their candidature and attest, under their own responsibility, that there are no</li> </ol>	<p>or technical/scientific subjects closely related to the sectors of building and construction in general, of public and private works, and acquisition and execution of works under concession contracts;</p> <p>c) management functions with public bodies or public authorities operating in the credit, financial, and insurance sectors, or in any event in the sectors as described in the paragraph above.</p> <p>Each shareholder and the shareholders belonging to the same group (such latter shareholders being the shareholders holding, between them, a relationship of direct or indirect control or connection, or who are controlled by the same entity) as well as the shareholders having entered into - or whose controlling entities have entered into - an agreement as per art. 122 of Legislative Decree No. 58 of 24 February 1998, may submit, contribute to the submission of, and vote one list only, even by means of third parties or trust companies.</p> <p>Each candidate may be registered in one list only, under penalty of ineligibility.</p> <p>Those who hold office as Standing Auditors in more than four companies listed in the Italian regulated stock markets or in the regulated stock markets of other European Union member countries, as well as in companies issuing financial instruments widely diffused among the public pursuant to laws and rules governing the matter, cannot be appointed as Auditors.</p> <p>Only shareholders globally holding, on their own or jointly with the other shareholders, a number of shares representing at least 1% (or the minimum percentage provided for by the provisions of applicable laws and regulations) of the company's share capital with voting right in shareholders' ordinary meetings, are entitled to file lists.</p> <p>The lists shall be signed by the shareholder or shareholders submitting the same (also by proxy to one of them) and filed with the company's registered office in accordance with the terms and manner provided for by applicable laws and regulations.</p> <p>The lists shall be accompanied by:</p> <ol style="list-style-type: none"> <li>the information on the identity of the shareholders having filed the same, with the indication of the participating interest globally held, with a certificate issued by a chartered broker setting forth the ownership of the participating interest;</li> <li>a description of the candidates' personal and professional characteristics, as well as the statements by which the individual candidates accept their candidature and attest, under their own responsibility, that there are no grounds for ineligibility or incompatibility, and that the requirements provided for by the laws and regulations and by the By-laws for the respective offices are met, further setting forth other administration and auditing positions, if any, being held in</li> </ol>
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grounds for ineligibility or incompatibility, and that the requirements provided for by the laws and regulations and by the By-laws for the respective offices are met, further setting forth other administration and auditing positions, if any, being held in other companies;

- c) a statement of the shareholders other than the shareholders holding, also jointly, a controlling or relative majority interest, attesting the inexistence of connection relationships with the latter pursuant to the laws and regulations governing this matter.

The lists which fail to comply with the above shall be considered as not submitted.

The members of the Board of Auditors are elected as follows. Two standing and two alternate auditors are drawn, in the progressive number in which they are listed in the corresponding sections of the list, from the list that has obtained the highest number of votes cast by the shareholders attending the meeting. The remaining standing member and the other alternate member are drawn from the list that ranked second in number of votes, among the lists submitted and voted by the shareholders holding no relationship with the reference shareholders in compliance with the laws and regulations in force, on the basis of the progressive number with which they were listed in the corresponding sections of the list. In the event two or more lists filed by minority shareholders have obtained the same number of votes, the candidates senior in age among those appearing under number one in the corresponding sections of the lists obtaining an equal number of votes are appointed as standing auditor and alternate auditor.

other companies;

- c) a statement of the shareholders other than the shareholders holding, also jointly, a controlling or relative majority interest, attesting the inexistence of connection relationships with the latter pursuant to the laws and regulations governing this matter.

The lists which fail to comply with the above shall be considered as not submitted.

Each list containing three or more candidates shall include a number of candidates who, meeting the above requirements, belong to the gender which is less represented within the Board of Auditors, in the proportion of one fifth of the candidates for members of the Board of Auditors to be appointed on the occasion of the first renewal of such auditing body taking place after August 12, 2012, and one third of the candidates for members of the Board of Auditors to be appointed for the two terms of office subsequent thereto.

The notice of calling may set forth additional details relating to the formation and operation of the lists in order to comply with the provisions of laws and regulations in force with reference to the composition of the Company's Board of Auditors.

The members of the Board of Auditors are elected as follows. Two standing and two alternate auditors are drawn, in the progressive number in which they are listed in the corresponding sections of the list, from the list that has obtained the highest number of votes cast by the shareholders attending the meeting. The remaining standing member and the other alternate member are drawn from the list that ranked second in number of votes, among the lists submitted and voted by the shareholders holding no relationship with the reference shareholders in compliance with the laws and regulations in force, on the basis of the progressive number with which they were listed in the corresponding sections of the list. In the event two or more lists filed by minority shareholders have obtained the same number of votes, the candidates senior in age among those appearing under number one in the corresponding sections of the lists obtaining an equal number of votes are appointed as standing auditor and alternate auditor.

In the event that, at the end of the voting session, the above proportions between genders appear not to have been complied with, the list having obtained the higher number of votes shall be scrolled down by replacing the last selected candidate by the first candidate of the less represented gender. In the event the balance between genders is not achieved by scrolling down the list as set forth above, the last-but-one paragraph of this article shall apply.

In the event only one list is submitted, all the standing and alternate auditors are

In the event only one list is submitted, all the standing and alternate auditors are drawn therefrom, to be elected according to the order in which they are listed. Also in this case, the title of Chairman of the Board of Auditors is attributed to the person registered as first in the list.

In the event the requirements provided for by the laws and regulations and these articles of association are not met, the Auditor falls from office.

Outgoing auditors may be re-elected.

In the event an Auditor falls from office, for any reason whatsoever, the same is replaced by the first alternate auditor elected in the same list, by previously verifying fulfilment of the above requirements.

In the event the Standing auditor drawn from the list which ranked second in number of vote falls from office and can not be replaced, for any reason whatsoever, by the alternate auditor appointed from that same list, the same shall be replaced – by previously verifying fulfilment of the above requirements – by the candidate registered immediately thereafter within that same list or, in default, by the candidate registered as first in the list which ranked second in number of votes among the lists filed by minority shareholders.

drawn therefrom, to be elected according to the order in which they are listed, without detriment to the obligation to observe the above proportions in connection with the gender which is less represented within the Board of Auditors. Also in this case, the title of Chairman of the Board of Auditors is attributed to the person registered as first in the list.

In the event the requirements provided for by the laws and regulations and these articles of association are not met, the Auditor falls from office.

Outgoing auditors may be re-elected.

In the event an Auditor falls from office, for any reason whatsoever, the same is replaced by the first alternate auditor elected in the same list, by previously verifying fulfilment of the above requirements. However, in the event the termination, for any reason whatsoever, of any standing Auditor occurs after the first renewal of the auditing body taking place after August 12, 2012, or during the two terms of office subsequent thereto, replacement shall take place by taking into account the balance between genders within the Board of Auditors in accordance with the provisions set forth in this article. Therefore, such terminated auditor shall be replaced by the first alternate auditor elected within the same list who may ensure compliance with the provisions governing the balance between genders and, if it were not possible, by scrolling down the same list up to reaching a candidate belonging to the less represented gender. In the event the balance between genders is not achieved by scrolling down the list, the third last paragraph of this article shall apply.

In the event the Standing auditor drawn from the list which ranked second in number of vote falls from office and can not be replaced, for any reason whatsoever, by the alternate auditor appointed from that same list, the same shall be replaced – by previously verifying fulfilment of the above requirements – by the candidate registered immediately thereafter within that same list or, in default, by the candidate registered as first in the list which ranked second in number of votes among the lists filed by minority shareholders. However, in the event the termination, for any reason whatsoever, of the Standing Auditor drawn from the list which ranked second in number of votes occurs after the first renewal of the auditing body taking place after August 12, 2012, or during the two terms of office subsequent thereto, replacement shall take place by taking into account the balance between genders within the Board of Auditors in accordance with the provisions set forth in this article. Therefore, such terminated auditor shall be replaced by the first alternate auditor elected within the list which ranked second in number of votes who may ensure compliance with the provisions governing the balance between genders and, if it were not possible, by

<p>In the event auditors can not be replaced, for any reason whatsoever, in accordance with the above criteria, a Shareholders' Meeting is called.</p> <p>Should no list be submitted, the Shareholders' Meeting shall appoint the Board of Auditors and its Chairman by relative majority resolution. In this case, in the event an Auditor falls from office before the expiry date of his or her term of office, the alternate Auditors according to seniority in age shall replace him or her until the Shareholders' Meeting held thereafter and, in the event the Chairman falls from office, the title of Chairman is taken on by the Auditor senior in age until the Shareholders' Meeting held thereafter.</p> <p>The Board of Auditors meetings shall be considered as duly formed also when held by teleconference or videoconference, provided that all those attending the meeting may mutually identify one another, that they can follow and take part in real time in the discussion of the topics being discussed, that they can exchange documents regarding such topics, and that evidence of all the above is given in the minutes. If such requirements are met, the meeting of the Board of Auditors is considered as held in the location set forth in the notice of calling of the meeting of the Board of Auditors itself, and where at least one Auditor must be present.</p>	<p>scrolling down the same list up to reaching a candidate belonging to the less represented gender. In the event the balance between genders is not achieved by the method described above, such terminated auditor shall be replaced by the first candidate of the list which ranked second in number of votes among the lists filed by minority shareholders, if necessary by scrolling down such list. In the event the balance between genders is not achieved by such method, the third last paragraph of this article shall apply.</p> <p>In the event the terminated auditor can not be replaced by adopting the above criteria, a proper shareholders' meeting is called, <b>without detriment of the obligation to achieve the balance between genders in the event the termination occurs after the first renewal of the auditing body taking place after August 12, 2012, or during the two terms of office subsequent thereto.</b></p> <p>In the event one sole list or not any list is submitted, <b>or it is not possible to appoint any candidate while complying with the balance of genders,</b> the Shareholders' Assembly shall appoint the Board of Auditors and its the Chairman of the Board of Auditors by resolving by relative majority, . In this case, in the event an Auditor falls from office before the expiry date of his or her term of office, the alternate Auditors according to seniority in age shall replace him or her until the Shareholders' Meeting held thereafter and, in the event the Chairman falls from office, the title of Chairman is taken on by the Auditor senior in age until the Shareholders' Meeting held thereafter.</p> <p>The Board of Auditors meetings shall be considered as duly formed also when held by teleconference or videoconference, provided that all those attending the meeting may mutually identify one another, that they can follow and take part in real time in the discussion of the topics being discussed, that they can exchange documents regarding such topics, and that evidence of all the above is given in the minutes. If such requirements are met, the meeting of the Board of Auditors is considered as held in the location set forth in the notice of calling of the meeting of the Board of Auditors itself, and where at least one Auditor must be present.</p>
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