



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 January 29, 2015, at first calling, and on January 30, 2015, at second calling.

1) Amendments to the Company's By-Laws (Art. 12)

Dear Shareholders,

in connection with the first topic of the extraordinary session of the agenda, we submit to you for examination the following proposal of amendment of one of the articles of the Company's By-laws in order to enable our Company to take advantage of the so-called "increased voting rights" mechanism.

Such provision is set forth in art. 127 *quinquies* of the Italian Financial Services Act (*TUF*) (introduced by Decree Law No. 91 of June 24, 2014 - the so-called "decree on competitiveness" - converted, with amendments, into Law No. 116 of August 11, 2014) and reserves to the listed companies the possibility of attributing "increased voting rights, up to a maximum of two votes, to each share belonging to the same entity continuously for not less than twenty-four months effective from the date of registration [in a proper] *list* [set up and kept by the Company]".

By the inclusion of this new provision, the Italian lawmaker superseded the traditional "*one share - one vote*" principle, with the intention to encourage medium- and long-term equity investments and, thus, to reward, "loyal" shareholders by the attribution of increased voting rights.

Such provision is, moreover, supplementary to the principles of the Corporate governance code of listed companies, recommending to pursue the creation of value for the shareholders over the medium and long term.

The Board of Directors of Astaldi deems advisable for the Company to take advantage of such law innovation, in order to favour - by means of the reward consisting in increased voting rights - the involvement of shareholders in the Company's medium- and long-term decisions.

The operation of such provision, the basic principles of which are described in

art. 127-*quinquies* of the Italian Financial Services Act as mentioned above (to which reference is made for closer details), provides for a broad autonomy in the by-laws.

Therefore, the following proposals of amendment to the Company's By-Laws are submitted to you for examination.

The rules governing the increased voting rights are set forth in art. 12 of the Company's By-Laws, supplemented as follows.

It is hereby proposed to attribute two votes to each common share belonging to the same entity continuously for a period of not less than twenty-four months effective from the date of registration in the list ("List") properly set up, kept and updated by the Company.

The Company shall, upon the shareholder's request, register in the List the number of shares stated by the latter; such request may concern all or part of the shares belonging to the same shareholder. Each shareholder may apply at any time, by proper request, for the registration of additional shares in the List.

In order to facilitate the operations for the registration in the List, it is hereby proposed to schedule specific quarterly deadlines from which the applications for registration filed within the previous quarterly period will become effective. In other words, any application for registration received by the Company during each quarterly period shall be registered in the List upon the following dates: March 1, June 1, September 1, December 1. It is understood that such deadlines may be adjusted in accordance with possible changes in the laws and regulations governing the matter.

In order to exercise the increased voting rights, the By-Laws provide that any such shareholder submit to the Company the certificate as per article 83-*quinquies*, paragraph 3, of the Italian Financial Services Act (TUF) and/or other applicable laws and regulations, or any other equivalent document, if any, as may be required by the Company by proper regulation.

The provisions of art. 12 of the Company's By-Laws govern the attribution of the increased voting rights and the assessment that the relevant requirements have been fulfilled. In order not to overburden the By-Laws with a detailed definition of operational and procedural aspects, it is proposed to authorize the directors to approve a specific "Regulation" governing the procedure and methods for making registrations in, holding and updating the List.

Furthermore, it is underlined that the Regulation will be published in the Company's Internet website.

By making reference to the provisions of art. 127-*quinquies*, paragraph 4, of the Italian Financial Services Act (TUF), it is proposed to provide that increased voting rights may be preserved in the event of death and in the event of merger and split-up of the registered holder of the shares.

Moreover, it is hereby proposed to expressly set forth in the By-Laws that increased voting rights extend, on a pro rata, basis, to newly issued shares resulting from a share capital increase pursuant to section 2442 of the Italian Civil Code as well as from share capital increase by new contribution.

As to the calculation of the Shareholders' assembly quorums, the By-Laws provide that the increased voting rights shall be taken into account upon determination of the quorum necessary for valid formation of the shareholders' assembly and of the quorum necessary for the validity of resolutions taken thereat which make reference to percentages of share capital or of shares with voting rights.

In order to facilitate the examination of the proposal, a summary table setting forth, for comparative purpose, the text of the provisions presently in force and of those proposed for adoption is annexed hereto, thus inviting the shareholders to approve, if agreeing with the above, said proposal as set forth in the above-mentioned table (Annex 1).

It is hereby further reminded that the law provisions (see art. 20, paragraph 1 bis of Decree Law No. 91 of June 24, 2014, as amended by conversion law No. 116 of August 11, 2014) expressly provide that the resolutions aimed at amending the By-

Laws, relating to the increased voting rights, taken within January 31, 2015, be adopted, also at first-call meeting, by the favourable vote of at least the majority of the share capital attending the meeting.

Finally, 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 since, as expressly provided for by the law "*The resolution of amendment to the By-Laws providing for increased voting rights does not attribute any right of withdrawal pursuant to section 2437 of the Italian Civil Code*". Therefore, the Shareholders having not taken part in the relevant resolutions shall not be entitled to exercise the right of withdrawal for all or part of their shares.

Rome, this 17th of December, 2014

The Chairman of the Board of Directors
(Signed Paolo Astaldi)

TITLE III
Shareholders' Meetings
ART. 12

Each common share is entitled to one vote. Each shareholder having the right to attend the Shareholders' Meeting may have himself represented by written proxy by another person, not necessarily a shareholder, under the laws and regulations in force.

The Chairman of the Shareholders' Meeting is responsible for ascertaining the right of attendance, including attendance by proxy.

Any shareholder may issue the proxy through the specific section of the Company's Internet website as set forth in the notice of calling, in compliance with the laws and regulations in force.

The Company waives the right to appoint a "common representative", as provided for by art. 135-undecies, § 1, of the Italian Financial Services Act.

TITLE III
Shareholders' Meetings
ART. 12

Each common share entitles to cast one vote.

However, two votes are attributed to each common share belonging to the same entity continuously for a period of not less than twenty-four months effective from the date of registration in the list ("List") properly set up, kept and updated by the Company. The Company may approve a regulation governing in detail the manner to register in, keep and update the List ("Regulation"). The Regulation will be published in the Company's Internet website.

The Company shall register each shareholder filing a proper request to such respect in the List; such request may concern all or part of the shares belonging to such shareholder. Each shareholder desiring to be registered in such List shall submit to the Company the certificate as per article 83-quinquies, paragraph 3, of the Italian Financial Services Act (TUF) and/or other applicable laws and regulations, or any other equivalent document, if any, as may be required by the Regulation. Each shareholder may apply at any time, by proper request, for the registration of additional shares in the List.

The Company shall make the registration and update the List quarterly - on the 1st of March, 1st of June, 1st of September, 1st of December - or otherwise, as may be provided for by the laws and regulation governing the matter.

Although received earlier, the requests for registration shall become effective only upon the update of List by the Company, which shall do so on the closest available date, according to the recurrence defined as stated above.

In order to exercise the increased voting rights, any such shareholder shall submit to the Company the certificate as per article 83-quinquies, paragraph 3, of the Italian Financial Services Act (TUF) and/or other applicable laws and regulations, or any other equivalent document, if any, as may be required by the Regulation, further attesting the uninterrupted ownership of the shares having increased voting rights. Each shareholder filing the request for registration in the List accepts that: (a) the relevant data be disclosed by the Company, within the limits provided for by applicable laws and regulations and in compliance therewith; (b) the broker entrusted by the shareholder to exercise the relevant rights in the name and on behalf of the latter reports to the issuer the transactions of transfer of the shares having increased voting rights.

Each shareholder being entitled to increased voting rights may waive such rights for all or part of his/her shares; such waiver shall automatically cause the shares for which the increased voting rights have been waived to be unregistered from the List. The above, without detriment to the same shareholder's right to request again the registration in the List in order to cause a new uninterrupted period of ownership of the shares for which the increased voting rights were waived to begin.

The increased voting rights as preserved in the event of transfer *mortis causa* as well as in case of merger and split-up of the registered holder of the shares. The increased voting rights extend, on a pro rata basis, to newly issued shares resulting from a share capital increase pursuant to section 2442 of the Italian Civil Code as well as from share capital increase by new contribution.

The increased voting rights shall be taken into account upon determination of the quorum necessary for valid formation of the

shareholders' assembly and of the quorum necessary for the validity of resolutions taken thereat which make reference to percentages of share capital or of shares with voting rights.

Each shareholder having the right to attend the Shareholders' Meeting may have himself represented by written proxy by another person, not necessarily a shareholder, under the laws and regulations in force.

The Chairman of the Shareholders' Meeting is responsible for ascertaining the right of attendance, including attendance by proxy.

Any shareholder may issue the proxy through the specific section of the Company's Internet website as set forth in the notice of calling, in compliance with the laws and regulations in force.

The Company waives the right to appoint a "common representative", as provided for by art. 135-undecies, § 1, of the Italian Financial Services Act.