



**ASTALDI SOCIETÀ PER AZIONI**

**DISCLOSURE SUPPLEMENTING THE BOARD OF DIRECTORS' REPORT ON THE PROPOSAL INCLUDED IN THE EXTRAORDINARY SESSION AGENDA DRAWN UP PURSUANT TO THE PROVISIONS OF ART. 125-TER OF THE ITALIAN LEGISLATIVE DECREE NO. 58 OF FEBRUARY 24, 1998, AS SUBSEQUENTLY AMENDED AND SUPPLEMENTED, AND ART. 72 OF THE REGULATION ADOPTED BY CONSOB BY RESOLUTION NO. 11971 OF MAY 14, 1999, AS SUBSEQUENTLY AMENDED AND SUPPLEMENTED.**

**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 for January 29, 2015, at first calling, and for January 30, 2015, at second calling.

**Introduction** This Report was drawn up by the Board of Directors of Astaldi to supplement the Report published by the Board of Directors of Astaldi on December 17, 2014, as requested by CONSOB pursuant to Art. 114, paragraph 5 of Italian Legislative Decree No. 58/1998 (the so called « T.U.F. »), in order to "*provide investors and the market with a more complete set of information about the concrete method of adoption of increased voting rights and the relevant effects on the Company's control*".

As explained in said Report, already published in accordance with the terms and conditions of applicable laws and regulations, the Board of Directors deemed advisable to submit, to the Shareholders' Assembly, the possibility of availing itself of this new provision. This provision has been recently introduced by the Italian lawmaker and, by increasing the voting rights, is intended to reward those Shareholders who, investing with a long-term perspective, contribute to steadily support the Company's growth over the medium and long term.

The lawmaker's decision is in agreement with UE orientations aimed at favoring medium- and long-term investment policies, also with a view to curb the stock price volatility, thus favoring a more efficient price formation process.

In fact, it is worthy reminding that such provision represents the actual implementation, within the Italian law system, of a principle shared at UE level, i.e. promoting those systems, which allow to harmonise the company's interests with investors' interests over the medium and long term. This, with reference to both retail and institutional investors.

Within said framework of laws and regulations, clearly supporting the adoption of initiatives aimed at facilitating the presence of stable investors in the share capital of issuers, the purpose which may be achieved by the Company, by adopting the subject-matter provision, is achieving a higher degree of investors' loyalty, encouraged to hold the investment for a longer period.

This is even more important when considering a company like Astaldi, operating in a sector where, both in Italy and abroad, construction works and concessions are characterized by medium- and long-term cycles of execution and operation, and being therefore interested in being supported by Shareholders willing to steadily share and uphold its core business.

The Board of Directors, upon evaluating the Company's interest in submitting the proposal, deemed that said needs and intentions of rewarding medium- and long-term investments still exist also in the presence, like for your Company, of previously established control structure. In fact, every stable shareholders would benefit therefrom, including the minority shareholders intending to acquire, by a medium- and long-term investment, an increased right of participation and monitoring in comparison with investors operating according to shorter time frames.

Moreover, increased voting rights favor and strengthen the presence of minority shareholders steadily holding their shares who may therefore contribute, thanks to their strengthened participation, in the appointments to be made by minority shareholders, to improve the company's governance.

As described in closer detail here below, these are the considerations, which – jointly with the needs for simplicity and transparency – led the managing body to work out a proposal to be submitted to the Shareholders' Assembly.

After such general introduction, please find here below some explanations relating to some specific aspects, based on the supervisory Authority's requests for disclosure.

**1) Explanation of the reasons underlying the amendments to the By-laws with reference to each of the decisions to be made independently**

Art. 127- *quinquies* of TUF attributes to Corporate Entities the power to govern, by means of the By-laws, some decisions concerning the exercise of increased voting rights. The Board of Directors has decided to propose to the shareholders to adopt by-laws allowing to conform to the basic model defined by the lawmaker.

By making reference also to the contents of the Report of December 17 the last, drawn up as per Art. 125-*bis* of T.U.F., it is underlined as follows:

*Extent of the increase*

The Board of Directors proposes 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 properly set up, kept and updated by the Company.

As already mentioned above, the decision to increase voting rights according to a ratio of 2 to 1 per each share appeared to be the most appropriate solution to

strengthen loyalty, by also taking into account the characteristics of the Company's core business.

At the same time, by taking advantage of another option granted by the law, it has been decided to propose to consider the increase also in connection with the *quorum* necessary for the valid formation of shareholders' assembly and the *quorum* necessary for the validity of resolutions, which refer to the Company's share capital. Moreover, the proposal of amendment to the By-laws further specifies that such rule of calculation validly applies also to the *quorum* to be calculated, according to the By-laws, by making reference to the share capital with voting rights. This clearly mitigates the actual significance of the increase. That same result could be pursued by attributing fractions or through mechanisms of progressive increase over time, which would adversely affect the exploitation of such provision, thus making voting operations more complex.

#### Shares holding period suitable for granting the increased voting rights

It has been determined that two years – the minimum period fixed by the law – is a period of time suitable for granting increased voting rights. A longer period would have been, on one side, substantially unimportant to the majority shareholder who assumedly acts according to a much longer time frame, but could, on the other side, have had detrimental effects on stable medium-term minorities, which would have taken advantage of the increased voting rights only after a longer period.

The attribution of increased voting rights after two years, jointly with the amendment to be made to the By-laws during the current month, will allow all the shareholders to exercise such right starting from the Shareholders' Meeting to be held for the approval of the 2016 financial statements, to be presumably held in April 2017.

Consequently, after such amendment to the By-laws, all the Shareholders who, after January 29 the next, wished to take advantage of such right, may apply for registration in the proper List kept by the Company and exercise the increased voting right after lapse of the two-year period required by the law.

#### Possibility of waiver

Again, in accordance with said law provision, the Board of Directors proposes to grant the authority to waive the increased voting rights. Upon waiver, all or part of the shares in connection with which the increased voting rights have been applied for, will be automatically unregistered from the List.

The decision of the automatic effect of the waiver, which is independent of the subsequent update of the List, is due to organizational needs. Therefore, it aims at avoiding a dissociation from the entitlement to obtain increased voting rights and the legitimate exercise thereof.

The By-laws submitted for approval further provides that the waiver only affects the increased voting rights which are the subject-matter of such waiver, rather than on all the shares owned by the shareholder registered in the List of Shareholders with increased voting rights. This, in order to safeguard the needs of those investors who are required to diversify risk, and thus to split investments, over time. The Shareholder's right to apply again for the registration of the shares, which were previously applied for unregistration, and to exercise increased voting rights soon after lapse of the 2-year period, shall remain unprejudiced.

*Method of attribution of increased voting rights and assessment of the fulfilment of the relevant requirements*

In accordance with the law provisions, the proposal provides, for increased voting rights to accrue, that all or only part of the shares belonging to the requesting shareholders be registered.

In order to ensure the correct operation and the transparency of the increased vote mechanism, it is proposed that the Company takes care of making the registration and updating the List on a quarterly basis – on the 1<sup>st</sup> of March, 1<sup>st</sup> of June, 1<sup>st</sup> of September, 1<sup>st</sup> of December. This means that the requests for registration received during the three-month period between the above mentioned dates will 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.

Such solution is based on an organizational need and allows not to overload the Company's mechanisms of operation – which would be required to update the List on a daily basis – and, at the same time, without imposing excessive limitation on the Shareholder's entitlement to have the 2-year period start running as soon as possible.

After all, this is a need worthy being considered (as suggested also in the document issued by CONSOB, published in view of the enactment of the regulation of implementation) and already known – although in other sectors – in the system (by way

of example, the mechanism of conversion of bonds as per section 2420-*bis* § 3 of the Italian Civil Code).

#### Preservation and extension of increased voting rights

In agreement with the provisions of Art. 127-*quinquies* of TUF, it has been assumed to cause the By-laws provide that "*The voting right is preserved in case of succession mortis causa and in the event of merger and split-up of the registered holder of the shares*". The succession in the ownership of the shares in the above mentioned cases, still in agreement with the provisions of Art. 127-*quinquies* of TUF, does not apply to the event of a shareholder transferring the shares owned.

As to share capital increases, considering that laws and regulations provide for an automatic extension of increased voting rights in the event of free share capital increase and let the decision on the possible extension of the increased voting rights in the event of share capital increase against payment be governed by the By-laws, it has been assumed to consider such two assumption as equivalent, by means of the automatic extension also to the shares issued against new contributions. Moreover, a different decision would adversely affect and, thus, discourage, the subscription of the share capital increase by the more loyal shareholders, and would result in a possible alteration of the balance of power also in the event of exercise of the rights of option, which is generally not the purpose of a share capital increase.

#### Calculation of the majority to the purposes of the Shareholders' meetings quorum

As stated above, by taking advantage of another option granted by the law, it has been decided to consider the increase also in connection with the *quorum* necessary for the valid formation of shareholders' assembly and the *quorum* necessary for the validity of resolutions which refer to the Company's share capital. Moreover, it has been further specified that such regulation of calculation validly applies also to the *quorum* to be calculated, according to the By-laws, by making reference to the share capital with voting rights.

## **2) Effects of the introduction of the increased voting rights provision on the Issuer's shareholding structure**

As far as concern the effects of the increased voting rights provision on the Company's shareholding structure, it is clear that, in the event the increased voting

rights were applied for by all the shareholders, it would generate no effect, since the relative positions between the shareholders would not change.

While, in the event that, (i) the increased voting rights were applied for by the majority shareholder Fin.Ast. S.r.l. in connection with all the participating interested owned by the same in the share capital of Astaldi and, at the same time, (ii) no other shareholder were to apply for increased voting rights, then the participating interest owned by Fin.Ast. S.r.l. in the share capital of Astaldi (calculated, for the purpose of determination of *quorum*, in accordance with the assumed By-laws provision set forth above) would increase from the present 52.663% to 68.992%.

3) **Illustration of the decision-making procedure followed in working out the proposal, method of evaluation of the Company's interest, possible involvement of Board of Directors' Committees**

The decision to submit the subject-matter proposal was resolved by the Board of Directors on December 17 the last.

Said meeting was attended by nine Directors out of twelve and the resolution was unanimously taken by the Board of Directors attending the meeting. To such respect, it is reminded that the Board of Directors of the Company is formed of six directors meeting the independence requirements provided for by the TUF and by the Self-Governance Code, five of which were attending said meeting.

The decision – as well as the necessary evaluation about its conformity with the Company's interest, on the basis of the above consideration – was made directly by the Board of Directors, since this matter is governed directly by the law and does not fall within the sphere of competence of the committees formed within the Board of Directors itself, all as provided for by the laws and regulations and by the self-governance provisions in force.

For completeness of information, it is stated that the relevant resolution was taken unanimously by a Board of Directors' meeting attended by a majority of five independent directors out of nine.

4) **Possible evaluations by minority shareholders concerning the introduction of the increased voting rights and its possible effects on the share price**

The Board of Directors did not receive any formal notice from any minority shareholder

concerning the introduction of the increased voting rights and its possible effects on the share price.

Rome, January 22 2015

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