



**ASTALDI SOCIETÀ PER AZIONI**

**REPORT OF THE BOARD OF DIRECTORS**

**PURSUANT TO ART. 125-TER OF LEGISLATIVE DECREE NO.**

**58/1998**

**APPOINTMENT OF THE BOARD OF DIRECTORS**

Dear Shareholders,

the Board of Directors of Astaldi S.p.A. does hereby announce the following with regard to the proposals that the Board intends to submit to the upcoming Shareholders' Meeting convened for 20 April 2016, in first call, and 21 April 2016, in second call, as to points 3, 4, 5, and 6 of the ordinary part.

Dear Shareholders,

on the occasion of the Shareholders' Meeting convened for 20 April 2016, in first call, and, if necessary, for 21 April 2016 in second call, the three-year term of office conferred to the Board of Directors by the ordinary Shareholders' Meeting is expiring.

The Shareholders' Meeting is thus called upon to appoint the Board of Directors, upon determining, as per the calling notice, the number of members and term of office, as well as to pass decisions on the yearly compensation of the members of the Board of Directors to be appointed.

Implementing the provisions of art. 125-ter of the consolidated law on finance (TUF), the Board of Directors does hereby announce the following with regard to the aforementioned proposals that the Board intends to submit to the upcoming Shareholders' Meeting.

### **Point 3. Determination of number of members of the Board of Directors.**

Pursuant to art. 16 of the company's Bylaws, the Board of Directors shall have from nine to fifteen members.

The Shareholders' Meeting of 23 April 2013 set the number of members of the Board of Directors at 13.

With a view to the renewal, you are asked to determine, within the limits provided for by the company's Bylaws, and based also on the proposals that may be formulated by the Shareholders during the Shareholders' Meeting itself, the numerical composition of the Board of Directors.

### **Point 4. Determination of term of office of the Board of Directors.**

Pursuant to art. 16 of the company's Bylaws, the board members have a term in office determined by the Shareholders' Meeting, which at any rate may not exceed

three financial years. In order to ensure stability for the Company's operation, the Shareholders' Meeting of 23 April 2013 had set the operational body's term in office at three financial year.

With a view to the renewal, you are asked to determine, within the limit of the three financial years provided for by law and the company's Bylaws, and based also on the proposals that may be formulated by the Shareholders during the Shareholders' Meeting itself, the term of office of the Board of Directors.

#### **Point 5. Appointment of members of the Board of Directors.**

Pursuant to art. 16 of the company's Bylaws, the Board of Directors is appointed by the Shareholders' Meeting based on slates submitted by the shareholders.

Shareholders that, on their own or along with the other shareholders contributing towards the submission of the slate, taken together own at least 2.5% (or such lesser figure as might be provided for by the applicable provisions of law or regulations) of the share capital entitled to vote at the ordinary Shareholders' Meeting, are entitled to submit slates. In this regard, it is pointed out that Consob, with its decision no. 19499 of 28 January 2016, on the "*Publication of the stake required for the submission of the slates of candidates for the election of the administration and control bodies,*" established the same 2.5% threshold for the submission of the slates of candidates at Astaldi S.p.A.

Each shareholder may submit, or contribute towards submitting, a single slate and vote for a single slate.

Each candidate may run on one slate only, under penalty of ineligibility.

Slates shall be accompanied by:

a) the information on the identity of the submitting shareholders, indicating the percentage stake held overall, and a certification issued by an intermediary qualified in accordance with the law, proving ownership of the number of shares necessary to submit the slates;

b) the candidates' personal and professional curricula;

- c) declarations by the candidates attesting, under their own responsibility, to their possession of the requirements of independence required by law;
- d) declarations by the candidates attesting, under their own responsibility, to the existence of the requirements of integrity and of any other requirement established by law and the company's Bylaws for the position;
- e) declarations by the candidates attesting, under their own responsibility, to the non-existence of the grounds for ineligibility and incompatibility provided for by law and by the company's Bylaws;
- f) declarations by the candidates attesting, under their own responsibility, that there are no circumstances or events that would lead the candidate to bring action in court against the company;
- g) declarations by which the individual candidates accept their candidacy.

Art. 16 of the company's Bylaws also sets out the specific provisions regarding the composition of the slates, aimed at guaranteeing compliance with the regulations in the matter of gender balance in corporate bodies pursuant to law no. 120 of 12 July 2011.

As this is the second term of application of said regulations, the less represented gender shall be reserved a share equal to at least one third of the board members to be appointed, to be rounded up to the nearest unit. Therefore, shareholders intending to submit a slate for the renewal of the Board of Directors, with three or more candidates, are required, in line with the provisions of law, of the regulations and of the Bylaws, to insert a number of candidates, expressing the less represented gender, suitable for guaranteeing the election of a gender representation responding to the proportion imposed by law.

Pursuant to the company's Bylaws, the candidates possessing the requirements of independence established by law must be indicated in the slates. In this regard, it is to be borne in mind that the slates must present a number of independent directors responding to specific regulatory and self-regulatory provisions.

In particular, in application of the provisions of art. 147-*ter* of the consolidated

law on finance (TUF), paragraph 4, in Boards of Directors composed of more than seven members, the presence of at least two directors possessing the requirements of independence established for statutory auditors is required.

Moreover, since Astaldi S.p.A. is listed in the STAR segment and is subject to more stringent governance requirements, the provisions of art. 2.2.3, paragraph 3, letter l) of the regulations of Borsa Italiana S.p.A. and of art. IA.2.10.6 of the Instructions of Borsa Italiana S.p.A. shall apply. The first provision subordinates the listing in the STAR segment to the presence – in addition to other requirements – of an “adequate” number on the Board of independent directors pursuant to the self-regulatory code; the second provision determines, in this regard, the adequacy of the size of the Board of Directors, and defines as at least 3 the number of independent directors pursuant to the self-regulatory code necessary in boards composed of 9-14 members and as at least 4 the number of independent directors pursuant to the self-regulatory code necessary in boards with more than 14 members. Lastly, it is to be borne in mind that Astaldi S.p.A. adheres to the self-regulatory code and therefore to the recommendations of *applicative criterion* 3.C.3, which asks issuers to rely on a number of independent parties adequate to the size of the Board of Directors and to the activity performed by the issuer, as well as suitable to allow for committees within the Board of Directors.

It is also pointed out that, pursuant to art. 2387 of the Italian civil code, only the following parties may be candidates for the position of director:

a) those who have accumulated total experience of at least three years of exercise of:

- administration or control activities, or executive duties with corporations that have a share capital of no less than two million euros;

- professional or regular university teaching activities in legal, economic, and financial subjects, or technical/scientific subjects pertaining to the building industry and construction in general, the public and private works sector, and the sector of taking on and carrying out works under concession;

- executive functions at public entities or public administrations operating in the credit, finance, and insurance sectors, or at any rate in sectors in line with the above

point;

b) those that are not board members or employees of the company's competitors, and have no consulting or collaboration relationships with said competitors;

c) those that have no interest in ongoing disputes of the company or of companies belonging to the company's group;

d) those that possess the prerequisites required by the company's codes of behaviour.

As to the procedures for submitting the slates, it is pointed out that once signed by those submitting them, and bearing the indications of law and the company's Bylaws as referred to above, the slates shall be lodged at the company's main office, available to anyone who so requests, at least 25 days prior to the day scheduled for the Shareholders' Meeting (or by no later than 29 March 2016) in first call, and shall then be made available to the public by the Company in accordance with the procedures established by the applicable regulations.

For all that is not expressly referred to herein, and for the other aspects connected with the procedures for submitting the slates and the identification of the related documentation to be lodged, as well as the procedures for voting on said slates, reference is to be made to the provisions of art. 16 of the company's Bylaws, available at the website [www.astaldi.com](http://www.astaldi.com) (Governance/Documents section).

Slates submitted without complying with the aforementioned provisions shall be considered as not submitted.

Support for slates and votes expressed in breach of the foregoing prohibitions shall not be attributed to any slate.

#### **Point. 6. Determination of the compensation of the members of the Board of Directors.**

Pursuant to art. 21 of the company's Bylaws, the members of the Board of Directors are entitled to a yearly compensation established by the Shareholders' Meeting, as well as to being refunded the expenses incurred in discharging their duties.

It is to be kept in mind that the ordinary Shareholders' Meeting of 23 April 2013 had, pursuant to the aforementioned provision of the company's Bylaws, decided upon a compensation equal to a gross sum of EUR 50,000.00 per year for each member of the Board of Directors.

In connection with the above, you are asked to determine – based also on the proposals that may be formulated by the Shareholders during the Shareholders' Meeting itself – the yearly compensation to which the members of the Board of Directors are entitled.

Rome, 09 March 2016

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