



ASTALDI SOCIETÀ PER AZIONI

BOARD OF DIRECTORS' REPORT

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

ORDINARY SESSION

Dear Shareholders,

the Board of Directors of Astaldi S.p.A. communicates as follows in connection with the proposal of approval of the 2013-2015 Stock Grant Plan that the Board itself intends to submit to the next Shareholders' Extraordinary Meeting called to be held on April 23, 2013, at first calling, and on April 26, 2013, at second calling.

4. Stock Grant Plan. Resolutions connected therewith and deriving therefrom.

Dear Shareholders,

in connection with the fourth topic of the agenda of the ordinary session, we remind you that, by approving the draft 2012 financial statements and the consequent grant of shares on a free-of-charge basis, the "Stock Grant Plan" approved by the Shareholders' Meeting held on November 5, 2010 for the three-year period 2010/2012 expired.

Taking into account the above, on the basis of the evaluations made during the last few months and the proposal made by the Remuneration Committee, the Company's Board of Directors, during its meeting held on March 22 the last, worked out a proposal to this respect.

Therefore, a benefit plan is proposed which is mainly based on a "stock grant" system providing for the grant of Astaldi S.p.A. shares to a maximum of six top managers, i.e. the Chief Executive Officer and a maximum of five General Managers.

In particular, the "Stock Grant Plan" shall be based on the following principles:

- 1) shall refer to the three-year period 2013-2015;
- 2) shall be based on a grant system providing for a three-year vesting period, over the three-year period, upon achievement of performance targets annually set by the Board of Directors, upon proposal made by the Remuneration Committee. On such occasion, each target shall be given a "weight";
- 3) it shall provide that, upon achievement of all the targets set, 100,000 shares and 40,000 shares shall be granted, on a free-of-charge basis and with reference to each financial year, the Chief Executive Officer and each General Manager, respectively.
- 4) the reward is settled – still provided that all the targets are achieved – by the transfer of a number of shares equivalent to said amount of 100,000 shares to the Chief Executive Officer and 40,000 shares to each General Manager.

5) for the purpose of a correct interpretation of the Stock Grant Plan, the following definitions are given:

- "grant date": the date of the resolution by which the Board of Directors – or the managing body delegated by the same – approves the draft individual and consolidated financial statements and acknowledges the achievement of the performance targets previously set with reference to each financial year and, consequently, the Shares are Granted to the Grantees;
- "transfer": the time when the Shares which this Plan refers to are transferred to the current accounts of the Grantees, who obtain full ownership and possession thereof.

6) the Stock Grant Plan provides that each performance target is given a "weight"; this means that 100% of the reward shall be fully granted in the event all the targets set are achieved. In the event any of the targets is not achieved, the grant of Shares will be consequently reduced on the basis of the "weight" – as defined by the Board of Directors (see point 2) – attributed to the target not achieved;

7) As to the "transfer" of the shares, the Stock Grant Plan provides for a lock-up on the shares to be vested, in relation to each grant, as set forth below:

- a) 25% shall vest on the same year of the Grant, on the day after the ex-dividend date or seven days after approval of the financial statements by the Shareholders' Assembly in the event the latter resolves not to pay dividends;
- b) an additional 25% shall vest during the year coming next to the Grant, on the same occasions set forth in point a) above;
- c) the remaining 50% shall vest two years after Grant, on the same occasions set forth in point a) above.

8) this system intends to spur Top Management's contribution to the creation of value, consistently with the principle of coincidence of interests between management and shareholders. Such creation of value to be always expressed, therefore, by both the achievement of performance targets previously set and the increase in the Stock-Market price of Company's shares;

9) for anything which is not expressly provided for herein, please refer to the following documents:

- the Regulation to be drawn-up which shall govern all the criteria and conditions to be met for the actual grant, including the criteria for target adjustment;
- the Information Document that the Company will make available to the public pursuant to art. 84-bis, paragraph 1, of Consob Regulation No. 11971/99.

Therefore, the shareholders are hereby invited to approve the above general criteria established by the Board of Directors, thus instructing the Board of Directors to draw up the Regulation of the subject-matter Stock Grant Plan by taking into account the guidelines approved by the Shareholders' Meeting.

Rome, March 22, 2013

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