



SALINI IMPREGILO S.p.A.

Registered office in Milan – Via dei Missaglia 97

Share capital €544,740,000.00 fully paid up

Tax Code and Milan Company Registration No. 00830660155 - VAT No. 02895590962

******* ****

**DIRECTORS' REPORT ON THE PROPOSAL FOR
AUTHORISATION OF THE PURCHASE AND DISPOSAL OF TREASURY SHARES
PURSUANT TO ARTICLE 73 OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999**

******* ****

Dear Shareholders,

We are submitting for your approval the request for authorisation for the purchase and disposal of treasury shares - pursuant to Articles 2357 and 2357-*ter* of the Italian Civil Code, Article 132 of Legislative Decree no. 58 of 24 February 1998, and Article 144-*bis* of the Issuers' Regulation adopted by Consob through Resolution no. 11971 of 14 May 1999, as amended (“**Issuers' Regulation**”) - in the light of the reasons and in accordance with the terms and conditions set out below.

******* ****

1. REASONS FOR THE REQUEST FOR AUTHORISATION

The request for authorisation for the purchase and disposal of treasury shares, subject of the proposal for authorisation made by the Board of Directors of Salini Impregilo S.p.A. (hereinafter “**Salini Impregilo**” or the “**Company**”) is aimed at providing the Company an instrument that is widely used by listed companies, to take up investment opportunities for all purposes permitted by the applicable provisions, including the purposes contemplated in the “market practices” permitted by Consob pursuant to Article 180.1c of the Consolidated Finance Act through Resolution no. 16839 of 19 March 2009 and in EC Regulation no. 2273/2003 of 22 December 2003.

The main objectives that the Board of Directors intends to achieve through the transactions for which the granting of authorisation is proposed are the following:

- (a) operating on the market, in compliance with the laws and regulations in force and through intermediaries, to support the liquidity of the Company's shares and for the purpose of stabilizing its price, in the presence of potential price fluctuations that reflect anomalous trends, also linked to excess volatility or low trading liquidity and/or placement of shares on the market by shareholders that have the effect of impacting the share price and/or, more generally, contingent market situations;
- (b) buying treasury shares with a view to medium and long term investment, or in any case taking up market opportunities through the purchase and resale of the shares whenever appropriate on the market (with regard to disposal), in over-the-counter markets, or outside the market at market conditions;
- (c) establishing a portfolio of treasury shares to be used for extraordinary financing transactions and/or incentive transactions and/or for other uses considered of financial, operational and/or strategic interest to the Company (including transactions for exchange and/or transfer and/or to service extraordinary capital transactions or financing or incentivisation transactions that involve the assignment or disposal of treasury shares, such as, purely as a non-limiting example, the use to service financial instruments exchangeable into shares, convertible bonds, bonds or warrants, stock option plans, stock grants and for the incentivisation of company officers, employees or contract workers of the group, as well as the granting or property and/or compulsory rights).

With specific reference to the authorisation for the purchase of treasury shares, please note that, at the present time, this request is not intended for reductions of share capital through the cancellation of treasury shares purchased.

2. MAXIMUM NUMBER AND CLASS OF TREASURY SHARES THAT THE AUTHORISATION REFERS TO

The authorisation proposed consists of granting the Board of Directors the power to purchase ordinary shares of the Company, on one or more occasions, in amounts to be freely determined by the Board of Directors, up to a maximum number of ordinary treasury shares that does not exceed 10% of the total number of shares outstanding at the time of the transaction (or, if less, up to the maximum limit set from time to time by the legal and regulatory provisions⁽¹⁾), also considering any ordinary treasury shares held by the Company at that date either directly, or indirectly through its subsidiaries.

In any event, the purchases will be made in compliance with the legal and regulatory provisions in force at the date of the transaction. As at the date of this report, Article 2357.1 of the Italian Civil Code establishes that a

⁽¹⁾ As at the date of this report the maximum limit set by Article 2357.3 of the Italian Civil Code is 20% of the share capital.

company cannot purchase treasury shares other than within the limits of the distributable profits and available reserves shown in the latest duly approved financial statements. Only entirely freed shares can be purchased.

Please note that, when transactions are undertaken for the purchase, disposal, exchange and transfer of treasury shares, the Company will make the appropriate accounting entries, in accordance with the provisions of law and the applicable accounting standards.

In case of disposal, exchange, transfer or write-down, additional purchases of treasury shares may be made, up to the expiry of the period of the shareholders' meeting authorisation, subject to the above-mentioned quantitative limits and the conditions established by the Shareholders' Meeting.

3. USEFUL INFORMATION FOR THE ASSESSMENT OF COMPLIANCE WITH THE MAXIMUM PURCHASE LIMIT THAT THE AUTHORISATION REFERS TO

As at the date of this report the issued and fully paid share capital of the Company consists of 493,788,182 shares, without par value, of which 492,172,691 ordinary shares and 1,615,491 savings shares, representing a total share capital of €544,740,000.

As at today's date, the Company does not hold any treasury shares, either directly or indirectly. The quantity of the available reserves and distributable profits, as well as the assessment of the useful information for verifying compliance with the maximum purchase limit that the authorisation refers to, in any event in accordance with the prevailing legal and regulatory provisions, will be analysed on each occasion at the time of the purchase.

4. DURATION OF THE AUTHORISATION

The Board of Director proposes that the authorisation for the purchase of treasury shares be granted for the maximum duration permitted by the applicable legal and regulatory provisions (as at the date of this report set by Article 2357.3 of the Italian Civil Code at a maximum of 18 months from the date when the Shareholders' Meeting adopts the corresponding resolution) with the power for the Board to undertake the authorised transactions on one or more occasions and at any time, in amounts and timescales to be freely determined in compliance with the applicable rules, with the gradualness considered appropriate in the interests of the Company.

The authorisation for the disposal of treasury shares is requested without time limits.

5. MINIMUM AND MAXIMUM PRICE

The Board of Directors proposes that the purchases of treasury shares be made, subject to obtaining adequate financial cover compatible with the Company's investment programmes and plans, in accordance with the

operational conditions established under market practice for the purchase of treasury shares permitted by Consob pursuant to Article 180.1c of the Consolidated Finance Act through Resolution no. 16839 of 19 March 2009 as well as EC Regulation no. 2273/2003 of 22 December 2003 where applicable, and in particular at a unit price that cannot differ in any event, either upwards or downwards, by more than 20% with respect to the price recorded for the share in the stock exchange trading session prior to each individual transaction.

With regard to the disposal of the treasury shares, this may take place at the price or, in any event, according to the criteria and conditions set by the Board of Directors, taking into account the transaction methods used, the performance of the share prices during the period prior to the transactions, and the Company's best interest.

6. METHODS FOR UNDERTAKING THE TRANSACTIONS

In view of the various objectives achievable through the completion of transactions involving the treasury shares, the Board of Directors proposes that the authorisation be granted for purchases of treasury shares in accordance with any of the methods permitted by the current regulations (also through subsidiaries), to be selected, on each occasion, at the discretion of the Board, and therefore at the present time:

1. through public tender offer for purchase or exchange;
2. through purchases made in regulated markets, in accordance with the procedures established by Borsa Italiana S.p.A. and having the characteristics specified in Article 144-*bis* of the Issuers' Regulation;
3. through the purchase or sale of derivative instruments traded in regulated markets that involve the physical delivery of the underlying shares and at the conditions established by Borsa Italiana S.p.A.;
4. through the proportional allocation to shareholders of sale options to be exercised within the period of duration of the authorisation specified in section 4 above.

With regard to disposals, the Board of Directors proposes that the authorisation permit the adoption of any methods appropriate for achieving the purposes sought – including the use of the treasury shares to service equity incentive plans and/or the assignment of property and/or personal rights and/or securities lending – to be carried out directly or through intermediaries, in compliance with the applicable national and European Union legal and regulatory provisions.

***** **

In view of the above, the Board of Directors invites the Shareholders' Meeting to adopt the following resolutions:

- taking into account the provisions of Articles 2357 and 2357-*ter* of the Italian Civil Code, of Article 132 of Legislative Decree no. 58 of 24 February 1998, and Article 144-*bis* of the Issuers' Regulation adopted by Consob through Resolution no. 11971 of 14 May 1999, as amended;



- having noted that, as at today's date, the Company does not hold any treasury shares, either directly or indirectly;
- having established the appropriateness of granting the authorisation to undertake transactions for the purchase and disposal of the ordinary treasury shares, for the purposes and in the manner described in the Directors' Report (the "**Report**");

RESOLVES

1. to authorise the Board of Directors, for the maximum period permitted by the applicable legal and regulatory provisions (as at the date of this report set by Article 2357.3 of the Italian Civil Code at a maximum of 18 months from the date when the Shareholders' Meeting adopts the corresponding resolution) and for all the purposes specified in the Report, to purchase ordinary shares of the Company, on one or more occasions, up to a maximum number of ordinary treasury shares that does not exceed 10% of the of the total number of shares outstanding at the time of the transaction (or, if less, up to the maximum limit set from time to time by the legal and regulatory provisions) also considering any ordinary treasury shares held by the Company at that date either directly, or indirectly through its subsidiaries, granting the Board - and on its behalf its Chairman and the Chief Executive Officer, severally - the widest powers (including if necessary the assignment of engagements to intermediaries authorised by law and the option to appoint special representatives) so that, subject to obtainment of adequate financial cover compatible with the Company's investment programmes and plans, it can undertake such purchase transactions according to any methods permitted by the prevailing applicable regulations (also through subsidiaries) to be identified, on each occasion, at its discretion according to the objectives to be achieved, at a unit price that cannot differ in any event, either upwards or downwards, by more than 20% with respect to the price recorded for the share in the stock exchange trading session prior to each individual transaction.
2. to authorise the Board of Directors, granting it - and on its behalf its Chairman and the Chief Executive Officer, severally - the widest powers (including if necessary the assignment of engagements to intermediaries authorised by law and the option to appoint special representatives), to sell and/or in any event dispose of all the treasury shares held, also prior to the completion of the purchases for the maximum amount authorised by these resolutions, on one or more occasions and at any time, without time limits, for all the purposes specified in this Report and using any of the methods permitted by the prevailing applicable regulations (also through subsidiaries) to be identified, on each occasion, at its discretion according to the objectives to be achieved, also establishing on each occasion the sale price



and/or the criteria, methods, terms and conditions for use of all the treasury shares held that are appropriate to meet the objectives to be achieved;

3. to make all necessary or appropriate accounting entries, in relation to the transactions involving treasury shares, in accordance with the prevailing regulations and applicable accounting standards;
4. to grant the Chairman and the Chief Executive Officer, severally and with full authorisation for sub-delegation for each individual act or categories of acts, all the powers, with no exclusions or exceptions, to execute the resolutions set out above, taking all actions necessary, appropriate, instrumental, connected and/or useful for their successful implementation and the authorisation included therein.

***** ** *****

Milan, 29 August 2014.

On behalf of the Board of Directors

The Chairman

Claudio Costamagna