

REASONED PROPOSAL BY THE BOARD OF STATUTORY AUDITORS OF SALINI IMPREGILO S.P.A.
PURSUANT TO ART. 13 OF LEGISLATIVE DECREE no. 39 OF JANUARY 27, 2010 FOR THE APPOINTMENT
TO CARRY OUT THE STATUTORY AUDIT OF THE ACCOUNTS FOR THE YEARS 2015 to 2023

1. INTRODUCTION

Dear Shareholders,

the appointment of PricewaterhouseCoopers S.p.A. (hereinafter "PwC") made by the Shareholders' Meeting of Salini Impregilo S.p.A (hereinafter "Salini Impregilo" or "Company") on May 3, 2006, to carry out the statutory audit of the accounts, shall expire upon approval of the separate (and consolidated) financial statements as at December 31, 2014.

At the end of 2014, PwC shall complete the ninth year of its appointment which, pursuant to art. 17 of Legislative Decree no. 39 of January 27, 2010 ("Legislative Decree 39/2010"), can no longer be renewed; accordingly, it is necessary to appoint a new auditor to carry out the statutory audit of the annual separate and consolidated accounts of Salini Impregilo for the years from 2015 to 2023 (hereinafter the "Assignment").

Pursuant to article 13, of Legislative Decree 39/2010, the shareholders' meeting, upon a reasoned proposal by the control body, appoints an auditor to carry out the statutory audit of the accounts and determines the fees due to the independent auditors for the entire term of the engagement as well as any necessary criteria for the adjustment of the fees during the term of the engagement.

Given the size and complexity of Salini Impregilo and its group companies ("Salini Impregilo Group"), the Board of Statutory Auditors initiated in advance the procedure for the identification of the new auditor to be proposed to the Shareholders' meeting.

The control body independently performed the above procedure, with the operating support of the relevant corporate departments, and after a thorough technical and economic evaluation, the Board of Statutory Auditors identified the offer submitted by the audit firm AUDITOR's NAME S.p.A. as the best offer.

Below is a description of:

- the steps of the process for the selection of a new auditor and the related criteria (Section 2);
- the information obtained by applying the qualitative and quantitative selection criteria, which supports the reasoned proposal submitted by the Board of Statutory Auditors to the Shareholders' meeting (Section 3);
- the main contents of the audit proposal presented by AUDITOR NAME S.p.A. (Section 4);

2. STEPS OF THE PROCESS FOR THE SELECTION OF A NEW EXTERNAL AUDITOR AND THE

RELATED CRITERIA

2.1 Conduct and management of the selection process

The process for the selection of the new external auditor was initiated by the Board of Statutory Auditors in June 2014, with the support of the heads of Group Finance & Corporate General Management and the Head of Internal Audit of the Company.

In accordance with the relevant company departments, the Board of Statutory Auditors asked Deloitte & Touche S.p.A., Reconta Ernst & Young S.p.A. and KPMG S.p.A. to take part in the selection process, such companies having been considered as meeting the technical and organizational requirements deemed suitable in view of the size and complexity of Salini Impregilo Group, and as such qualified for the Assignment.

Following individual discussions held with the General Manager of Group Finance & Corporate, the Deputy General Manager of Group Finance & Corporate and the Head of Internal Audit, on the one hand, and the partners of the mentioned audit firms, on the other, aimed at obtaining preliminary information on the candidates' organization, experience in the industry and composition of their work teams, in August 2014 the three candidate firms received a set of information, for their convenience and anyway publicly available, in order to familiarize them with the organization and business of the Salini Impregilo Group, in view of the submission of their audit proposals.

In a notice dated August 7, 2014, supplemented on September 4, 2014 ("Request for Proposal"), Deloitte & Touche S.p.A., KPMG S.p.A. and Reconta Ernst & Young S.p.A. were then formally invited to submit an audit proposal, containing:

- (i) a statement confirming that, as at the date of the proposal, there were no situations that might compromise the independence of the audit firm or reasons that would make it incompatible with the Assignment, especially with regard to Articles 10 and 17 of Legislative Decree no. 39/2010, and related implementing provisions (Chapter I-bis, Title VI Accounting Audit - Incompatibility- of Issuers' Regulation adopted by Consob Resolution no. 11971 of May 14, 1999, as amended and supplemented, and Audit Standard, Document no. 100 "Principles of auditor's independence");
- (ii) a statement on the shareholding structure of the candidate company;
- (iii) a list of offices belonging to the audit firms' network, in the countries where the Salini Impregilo Group companies are located, and a description of the internal organization of the Italian and international network, with special focus on coordination activities;
- (iv) a description of how the engagement will be carried out (audit methodology, coordination policy, supervision and direction of the activity performed by the *network's* companies and information flows with the Company);
- (v) references of the persons involved in the audit team, with specific regard to the experience gained with other customers in the *engineering and construction industry*;
- (vi) documentation proving that the audit firm is familiar with the Salini Impregilo Group;
- (vii) estimate of hours and fees for the performance of the Assignment, with specific indication of the expected professional roles that will make up the team.

Furthermore, in view of the importance attached to the quality of the audit and the professionalism of the auditor, the Board of Statutory Auditors expressly stated that the following number of hours per professional category had to be at least envisaged in the proposal:

- (i) for the audit concerning Salini Impregilo:

Partner: 10%

Manager: 30%

Senior: 35%

Assistant: 25%

(ii) for the audit concerning the companies of the Salini Impregilo Group:

Partner: 7%

Manager: 25%

Senior: 38%

Assistant: 30%

Overall, the control body dealt with the issue in the course of eight meetings, which were held between June 2014 and March 2015. The Board of Statutory Auditors met with the senior partners or other representatives of each of the candidate firms, with whom it held interviews in order to obtain additional information and clarification as deemed necessary or appropriate in view of submitting its reasoned proposal.

2.2 Definition of selection criteria

In defining the criteria to be adopted in the selection process, the Board of Statutory Auditors intended to combine an assessment of the professional, technical and organizational features of the candidate firms with aspects related to the most cost-effective proposal.

The Board of Statutory Auditors made it a priority to verify the independence of the candidate firms and the absence of any reasons that would make them incompatible with the Assignment, in accordance with the provisions of Articles 10 and 17 of Legislative Decree no. 39/2010, and related implementing provisions (Chapter *I-bis*, "Incompatibility", Title VI "Accounting Audit" of Issuers' Regulation adopted by Consob Resolution no. 11971 of May 14, 1999, as amended and supplemented, and Audit Standard, Document no. 100 "Principles of auditor's independence").

The control body thus identified the qualitative and quantitative selection criteria, which are in turn subdivided into subcategories.

The Board of Statutory Auditors identified the following selection criteria:

- **Ability to serve global customers**, with specific focus on: (i) local offices of the audit firm in the countries where the Salini Impregilo Group companies are located; and (ii) any use by the audit firm of entities outside its *network* for countries where it has no local offices and/or for technical activities.
- **Operational approach to the Assignment**, which is assessed on the basis of information provided by the audit firm with regard to: (i) methodology used to gain an understanding of the Company and the Salini Impregilo Group; (ii) technical tools supporting the statutory audit; (iii) methods used to supervise and direct the results arising from the activities carried out by the network companies; (iv) information flows and documentation to be provided to the Corporate, Control and Supervisory bodies of the Salini Impregilo Group.
- **Knowledge of and experience gained with respect to the Salini Impregilo Group**, to be assessed in relation to: (i) previous projects with the Company or the Salini Impregilo Group; (ii) experience gained with other clients in the engineering and construction industry in Italy and in the other main countries in which the Salini Impregilo Group conducts its activities; (iii)

membership of national and/or international organizations or centers of excellence working in the industry in which the Salini Impregilo Group conducts its activities.

- **Proposed total number of hours and professional roles in the team**, to be assessed with reference to:(i) adequacy of estimated hours for the performance of the Assignment (also with regard to the number of hours actually reported by PwC over time, in its capacity as principal external auditor and by E&Y, as secondary external auditor);(ii) any deviation in the professional composition of the team from that required by the Board of Statutory Auditors;(iii) experience gained over the last five years by the proposed partner in charge of the audit with regard to listed multinational groups operating in similar industries to that of Salini Impregilo.

- **Quantitative elements**, which include: (i) difference between the fees specified in the proposal and those currently paid to the external auditors in office (primary and secondary); (ii) comparison of the different proposals based on the total number of hours, the professional roles in the team and the hourly *rate* for each professional category.

2.3 Analysis of proposals and selection of external auditor

The audit proposals by Deloitte & Touche S.p.A., KPMG S.p.A. and Reconta Ernst & Young S.p.A. received by September 19, 2014, as provided in the Request for Proposal, and subsequent review by October 20, 2014, were preliminarily examined by the Board of Statutory Auditors in its meeting of September 24, 2014 and subsequently reviewed in the session of October 30, 2014, on the basis of the aforementioned selection criteria.

Subsequently, on November 17, 2014, the Board of Statutory Auditors met with representatives of Deloitte & Touche S.p.A., KPMG S.p.A. and Reconta Ernst & Young S.p.A., to request clarification and additional information on the proposals. Following discussions with each audit firm on the main characteristics of their respective proposals, the control body reserved the right to hold a subsequent feedback meeting.

The evaluation process continued with the meeting held on December 4, 2014 and was completed with the meeting of March 12, 2015, during which the Board of Statutory Auditors unanimously approved this proposal to the Shareholders' meeting for the appointment of AUDITOR's NAME S.p.A. as external auditor to be engaged for the statutory audit of the annual and consolidated accounts of Salini Impregilo for the years from 2015 to 2023, on the basis of the audit proposal made by the mentioned AUDITOR's NAME S.p.A. ("AUDITOR NAME's Proposal").

On the basis of the selection criteria defined and referred to in section 2, AUDITOR NAME's Proposal was identified as the best proposal from among those submitted to the control body, it being the most suited to satisfy the needs of the Salini Impregilo Group.

3. INFORMATION OBTAINED BY APPLYING THE QUALITATIVE AND QUANTITATIVE SELECTION CRITERIA AND SUPPORTING THE REASONED PROPOSAL SUBMITTED BY THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING

As previously mentioned, at the outcome of the evaluation conducted by the Board of Statutory Auditors on the basis of the qualitative and quantitative selection criteria referred to in section 2, which led to the assignment of weighing scores to each of the participants, the control body expressed its overall assessment in favour of AUDITOR NAME's Proposal.

The overall assessment of the Board of Statutory Auditors was supported, in particular, by the following elements concerning the independence requirement and the individual evaluation criteria identified in the selection process:

Independence: as stated in AUDITOR NAME's Proposal, the audit firm meets the independence requirement and there are no reasons that would make it incompatible with the Assignment, in accordance with the provisions of Articles 10 and 17 of Legislative Decree no. 39/2010, and related implementing provisions (Chapter *Ibis*, "Incompatibility", Title VI "Accounting Audit" of Issuers' Regulation adopted by Consob Resolution no. 11971 of May 14, 1999, as amended and supplemented, and Audit Standard, Document no. 100 "Principles of auditor's independence");

Ability to serve global customers: AUDITOR's NAME S.p.A. is part of one of the largest *networks* in the world and undoubtedly has renowned professionalism, an adequate organizational structure and technical expertise of the highest standing, such as they are required in the specific circumstances in relation to the breadth and complexity of the Assignment. The AUDITOR NAME's network is directly present in all the countries where the Salini Impregilo Group conducts its activities. The central audit team will be made up of staff from the Milan office. The Assignment will be entirely carried out by companies belonging to AUDITOR's NAME's network, without the involvement of any external entities.

Operational approach to the engagement: the working methodology used by AUDITOR's NAME S.p.A. involves special focus on Risk Assessment and on the analysis of the context and of the other Entity Levels Controls. It also includes a detailed plan of activities necessary for the transition period, when working alongside the outgoing auditor. The audit firm also uses programs that enable it to constantly monitor ongoing assignments and any conflict situations. With regard to supervision of the *network's* entities, AUDITOR NAME's Proposal provides for annual planning meetings and visits to the most significant audit teams engaged abroad. With respect to relations with the governing bodies, the audit firm proposed that meetings be held at least quarterly with the main corporate and governance bodies.

Knowledge of and experience gained with respect to the Salini Impregilo Group: AUDITOR's NAME S.p.A. has developed a deep knowledge of the Salini Impregilo Group and the internal control system of the Company on the basis of previous engagements carried out in support of financial processes (impairment tests) and operational processes (support to *Internal Audit for the testing activity under Law 262/05*). AUDITOR's NAME S.p.A. has also gained significant experience in the audit of Italian and foreign groups or companies engaged in the engineering and construction industry with a complex organization that is comparable in terms of size and geographic characteristics to that of Salini Impregilo Group.

Proposed total number of hours and professional roles in the team: the hours of work estimated in AUDITOR NAME's Proposal are adequate in relation to: (i) the amount, composition and risk of the most significant equity and financial items of Salini Impregilo; (ii) the technical preparation and experience required by the Assignment and (iii) the need to ensure adequate supervision and direction of the work, in addition to the material execution of the audits. The composition of the team in terms of professional roles proposed by AUDITOR NAME S.p.A. is better than required, as it provides for a higher percentage of work performed by the partner and the manager. The Global Lead Audit Partner specified by AUDITOR NAME S.p.A., [•], has gained extensive experience in the audit of listed companies and of companies operating in the engineering & construction industry.

Quantitative elements: AUDITOR NAME's Proposal – when examined according to the criteria established by the Board of Statutory Auditors – was altogether, quantitatively the best of those submitted. In any case, in the opinion of the Board of Statutory Auditors, the fees provided in AUDITOR NAME's Proposal, as set forth above, are such as to ensure the quality and reliability of the work.

4. MAIN CONTENTS OF AUDITOR NAME'S PROPOSAL

4.1 Audit Services including in the Assignment

As stated in AUDITOR NAME's Proposal, the Assignment includes the following activities ("Audit Services"):

- (i) audit of the separate and consolidated financial statements of Salini Impregilo, pursuant to art. 14, paragraph 1 of Legislative Decree no. 39/2010, for the years 2015-2023;
- (ii) verification, during the year, that the accounting records are correctly kept and that accounting events are correctly recognised in the accounting records of Salini Impregilo pursuant to art. 14, paragraph 1, letter b) of Legislative Decree 39/2010;
- (iii) verification, in accordance with art. 14, paragraph 2, letter e) of Legislative Decree no. 39/2010, that the Directors' report is consistent with the separate and consolidated financial statements, including consistency check with respect to the information on corporate governance and ownership structure pursuant to art. 123-bis, paragraph 4, of Legislative Decree no. 58 of February 24, 1998;
- (iv) audit to be conducted by the foreign correspondents of AUDITOR NAME S.p.A. on the financial statements prepared for the consolidation (reporting package) of the foreign subsidiaries specified in the Request for Proposal, for the purpose of the statutory audit of the separate and consolidated financial statements of Salini Impregilo;
- (v) audit of the financial statements prepared in accordance with the local regulations in force in the country of the foreign subsidiaries identified in the Request for Proposal;
- (vi) limited accounting audit of the half-year condensed consolidated financial statements for the half years from June 30, 2015 to June 30, 2023 of Salini Impregilo. This activity shall also involve the limited audit of the half-year financial statements of the subsidiaries prepared for the purpose of consolidation, to the extent deemed necessary by AUDITOR NAME S.p.A. for the purpose of the Assignment.

4.2 Scope of Audit Services within Salini Impregilo Group

As expressly proposed in the Request for Proposal, the indicative scope of the Audit Services will be as follows:

<i>COMPANY / BUSINESS UNIT</i>	<i>Country</i>	<i>Limited Review as at 30/06</i>	<i>Full Review as at 31/12</i>	<i>Statutory</i>
Salini Impregilo S.p.A.	Italy	✓	✓	✓
SAL IGL UAE Branch	United Arab Emirates		✓	✓
SAL IGL Dubai Branch	United Arab Emirates		✓	✓
SAL IGL Branch Colombia	Colombia			✓
SAL IGL S.p.A. Branch Peru	Peru			✓
SAL IGL S.p.A. Qatar Branch	Qatar		✓	✓

SAL IGL Branch Venezuela	Venezuela	✓	✓	✓
SAL IGL S.p.A. Branch Ethiopia	Ethiopia	✓	✓	
Kazakhstan Branch	Kazakhstan			✓
Libya Branch	Libya			✓
Morocco Branch	Morocco			✓
Sierra Leone Branch	Sierra Leone			✓
Uganda Branch	Uganda			✓
Zimbabwe Branch	Zimbabwe			✓
Impregilo S.p.A. Branch Argentina	Argentina			✓
Impregilo S.p.A. Australia Branch	Australia			✓
Impregilo S.p.A. Branch Brazil	Brazil			✓
Santo Domingo Branch	Dominican Republic			✓
Impregilo Greece Branch	Greece		✓	
Impregilo South Africa Branch	South Africa		✓	✓
IGL Sucursal De Panama	Panama			✓
IGL S.p.A. Oddzial Polsce	Poland			✓
IGL Sucursala Sibiu + Romania Branch	Romania		✓	
IGL Saudi Arabia Branch	Saudi Arabia			✓
Impregilo S.p.A. India Branch	India			✓
Compagnia Gestione Macchinari CO.GE.MA. S.p.A.	Italy			✓
Fisia Italimpianti S.p.A.	Italy	✓	✓	✓
Imprepar-Impregilo Partecipazioni S.p.A.	Italy	✓	✓	✓
Metro B S.r.l.	Italy			✓
COMPANY / BUSINESS UNIT	Country	Limited Review as at 30/06	Full Review as at 31/12	Statutory
Metro B1 S.c.a.r.l.	Italy			✓
RI.MA.TI. S.c.a.r.l.	Italy			✓
S.G.F. - I.N.C. S.p.A.	Italy	✓	✓	✓
TB Metro S.r.l.	Italy			✓
Copenhagen Metro Team I/S	Denmark	✓	✓	✓
Impregilo International Infrastructures N.V.	Netherlands	✓	✓	✓
Salini Hydro L.t.d.	Ireland			✓
Salini Polska L.t.d. Liability Co	Poland			✓

Salini Insaat Taahhut Sanayi Ve Ticaret Anonim Sirketi	Turkey	✓	✓	✓
Salini-Kolin-GCF Joint Venture	Turkey	✓	✓	✓
Impregilo Lidco Libya Co	Libya	✓	✓	✓
Salini Namibia Proprietary L.t.d.	Namibia			✓
Consorcio Impregilo Yarull	Dominican Republic			✓
CIGLA S.A.	Brazil			✓
Grupo ICT II SAS	Colombia	✓	✓	
IS Joint Ventures	Australia	✓	✓	✓
Salini Australia PTY L.t.d.	Australia	✓	✓	✓
Consorzio MM4	Italy			✓
La Quado S.c.a.r.l.	Italy			✓
Passante di Mestre S.c.p.A.	Italy			✓
Pedelombarda S.c.p.a.	Italy	✓	✓	
Reggio Calabria - Scilla S.c.p.a.	Italy	✓	✓	
Salerno-Reggio Calabria S.c.p.a.	Italy	✓	✓	✓
Constructora Ariguani SAS	Colombia	✓	✓	
Impregilo-Terna SNFCC J.V.	Greece		✓	
Impregilo-SK E&C-Galfar al Misnad J.V.	Qatar	✓	✓	
Fibe S.p.A.	Italy		✓	✓
Consorzio Cociv	Italy	✓	✓	✓
Salini Malaysia SDN BHD	Malaysia	✓	✓	✓
Salini Nigeria L.t.d.	Nigeria	✓	✓	✓
Empresa Constructora Metro 6 L.t.d.a.	Chile	✓	✓	✓

4.3 Annual fees for the Audit Services

The following table summarizes the hours of work, the percentage distribution between the various professional roles, the hourly rate and the fees set out in AUDITOR NAME's Proposal for the Audit Services on an annual basis:

	Hours	Fees
	no.	€
<i>Statutory audit of the financial statements, including verification during the year that the accounting records are correctly kept and that accounting events are correctly recognised in the accounting records of Salini Impregilo S.p.A.</i>	6,500	620,000
Statutory audit of the group consolidated financial statements	2,200	210,000

Limited audit of the half year condensed consolidated financial statements

2,300 220,000

11,000 1,050,000

A breakdown of the hours and annual fees is provided below:

Statutory audit of the financial statements, including verification during the year that the accounting records are correctly kept and that accounting events are correctly recognised in the accounting records of Salini Impregilo S.p.A.

	Hours		Hourly rates	Fees
	no.	%	€	€
Partner	1,170	18	164	191,000
Manager	2,275	35	106	240,000
Senior	2,080	32	70	145,000
Assistant	975	15	44	44,000
	<hr/>			<hr/>
	6,500	100		620,000
	<hr/>			<hr/>

Statutory audit of the group consolidated financial statements

	Hours		Hourly rates	Fees
	no.	%	€	€
Partner	396	18	164	65,000
Manager	770	35	106	82,000
Senior	704	32	70	49,000
Assistant	330	15	44	14,000
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	2,200	100		210,000
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Limited audit of the half year condensed consolidated financial statements of Salini Impregilo S.p.A

	Hours		Hourly rates	Fees
	no.	%	€	€
Partner	414	18	164	68,000
Manager	805	35	106	86,000
Senior	736	32	70	51,000
Assistant	345	15	44	15,000

2,300	100	220,000

4.4. Additional financial conditions set out in AUDITOR NAME's Proposal

The additional conditions set out in AUDITOR NAME's Proposal are summarized below:

- (i) ISTAT CPI: the fees specified in AUDITOR NAME's Proposal shall be subject to adjustment on July 1 of each year, to the extent of the increase in the ISTAT cost of living index with respect to the previous year.
- (ii) Amendments to the fees: in the event of significant increases in the hours and/or significant changes in the execution times of the Assignment due to specific circumstances, such circumstances shall be discussed and agreed with the Company governing bodies and departments in charge, with a view to a subsequent increase in the fees estimated in AUDITOR NAME's Proposal. More specifically, the above amendments may take place in the event of: (a) changes in the structure, size and activities of the Company and/or Salini Impregilo Group; (b) changes in the internal control system and/or in the process for the preparation of financial disclosures of the Company and/or Salini Impregilo Group; (c) failure to deliver the necessary documentation; (d) changes in legislation, in accounting and/or auditing standards, new professional guidelines; (e) complex or extraordinary transactions involving the Company or Salini Impregilo Group. Likewise, if less time than estimated should be needed, the fees specified in AUDITOR NAME's Proposal shall be proportionately decreased.
- (iii) Reimbursement of expenses and Consob contribution: pocket expenses incurred in the performance of the Assignment shall be charged on the basis of actual expenses incurred up to a maximum of 5% of the annual fees specified in AUDITOR NAME's Proposal. The Consob supervisory fee shall be charged for an amount equal to the percentage set by the Authority.
- (iv) External advisory services: any cost incurred for external advisory services shall be discussed in advance with the Company as soon as such a need arises in relation to the performance of the Assignment.

The Board of Statutory Auditors, taking also into account the meetings directly held with the operating teams proposed by the participating companies, reached the conclusion that AUDITOR NAME S.p.A.'s Proposal is to be considered as the best proposal from both a qualitative and quantitative standpoint.

Dear Shareholders,

given the foregoing, you are asked to approve the proposal to appoint AUDITOR's NAME S.p.A. to carry out the statutory audit of Salini Impregilo S.p.A. for the years 2015-2023, the fee due to the auditing firm for the entire term of the engagement, and the criteria for adjusting that fee in the course of the engagement, according to the considerations, terms and conditions described by the Board of Statutory Auditors.

Milan