

Salini Impregilo S.p.A. Board of Directors' Report on the fourth item on the agenda of the Extraordinary Shareholders' Meeting: "Granting the Board of Directors, pursuant to Articles 2443 of the Italian Civil Code, the power to increase share capital, on one or more occasions and, in any event, in tranches, against payment, also with the exclusion of the option right pursuant to Article 2441.5 (i.e. through the issue of new shares to be offered to individuals - including directors, contract workers and/consultants – in respect of which there is no employee-employer relationship with the company and/or its subsidiaries and/or parent companies), paragraph 6 and/or 8 (i.e. through the issue of new shares to employees of the company and/or its subsidiaries and/or parent companies) of the Italian Civil Code and/or for free pursuant to Article 2349 of the Italian Civil Code (i.e. through the issue of new shares to offer free of charge to employees of the company and/or its subsidiaries drawn from the profits or profit reserve), to service the remuneration plans based on financial instruments pursuant to Article 114-bis of Italian Legislative Decree no. 58 of February 24, 1998. Amendment of Article 7 of the Bylaws. Related and consequent resolutions".

**SALINI IMPREGILO S.P.A. BOARD OF DIRECTORS' REPORT ON THE FOURTH ITEM ON THE AGENDA OF THE EXTRAORDINARY SHAREHOLDERS' MEETING: "GRANTING THE BOARD OF DIRECTORS, PURSUANT TO ARTICLES 2443 OF THE ITALIAN CIVIL CODE, THE POWER TO INCREASE SHARE CAPITAL, ON ONE OR MORE OCCASIONS AND, IN ANY EVENT, IN TRanches, AGAINST PAYMENT, WITH THE EXCLUSION OF THE OPTION RIGHT PURSUANT TO ARTICLE 2441.5 (I.E. THROUGH THE ISSUE OF NEW SHARES TO BE OFFERED TO INDIVIDUALS - INCLUDING DIRECTORS, CONTRACT WORKERS AND/ CONSULTANTS – IN RESPECT OF WHICH THERE IS NO EMPLOYEE-EMPLOYER RELATIONSHIP WITH THE COMPANY AND/OR ITS SUBSIDIARIES AND/OR PARENT COMPANIES), PARAGRAPH 6 AND/OR 8 (I.E. THROUGH THE ISSUE OF NEW SHARES TO EMPLOYEES OF THE COMPANY AND/OR ITS SUBSIDIARIES AND/OR PARENT COMPANIES) OF THE ITALIAN CIVIL CODE AND/OR FOR FREE PURSUANT TO ARTICLE 2349 OF THE ITALIAN CIVIL CODE (I.E. THROUGH THE ISSUE OF NEW SHARES TO OFFER FREE OF CHARGE TO EMPLOYEES OF THE COMPANY AND/OR ITS SUBSIDIARIES DRAWN FROM THE PROFITS OR PROFIT RESERVE), TO SERVICE THE REMUNERATION PLANS BASED ON FINANCIAL INSTRUMENTS PURSUANT TO ARTICLE 114-BIS OF ITALIAN LEGISLATIVE DECREE NO. 58 OF FEBRUARY 24, 1998. AMENDMENT OF ARTICLE 7 OF THE BYLAWS. RELATED AND CONSEQUENT RESOLUTIONS".**

Dear Shareholders,

This report has been prepared by the Board of Directors of Your Company to illustrate the reasons justifying the proposal to grant the Board the power (the "**Delegated Power**") to increase share capital, on one or more occasions and, in any event, in tranches, pursuant to Article 2443 of the Italian Civil Code, against payment, with exclusion of option right, pursuant to paragraphs 5,6 and 8 of Article 2441 of the Italian Civil Code and/or free pursuant to Article 2349 of the Italian Civil Code, to service compensation plans based on financial instruments pursuant to Article 114-*bis*, paragraph 1<sup>1</sup>, of Legislative Decree. no. 58 of February 24, 1998, as amended (the "**Consolidated Finance Act**" or "**TUF**") in favour of, amongst others, directors, employees, partners and/or consultants of the Company and/or its parent and/or subsidiary companies pursuant to Article 93 of TUF.

The Delegated Power that we propose should be granted to the Board of Directors is similar - with respect to compensation plans based on financial instruments pursuant to Article 114-*bis*, paragraph 12, of TUF - to that granted with Shareholders' Meeting resolution of September 12, 2013, whose full revocation is proposed as the third item on the agenda of the Extraordinary Shareholders' Meeting called for April 30, 2015, apart from the

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<sup>1</sup> Article 114-*bis*, paragraph 1, of TUF refers to: "*Compensation plans based on financial instruments in favour of members of the Board of Directors or of the Management Board, of employees or contract workers not linked to the company by an employment relationship or of members of the Board of Directors, employees or contract workers of other parent or subsidiary companies", establishing the Ordinary Shareholders' Meeting as competent to approve it.*

fact that: *(i)* it does not include the delegated power pursuant to Article 2420-ter of the Italian Civil Code, to issue convertible bonds to service the compensation plans based on financial instruments pursuant to Article 114-bis, paragraph 1, of TUF; *(ii)* includes the possibility of increasing share capital as a bonus pursuant to Article 2349 of the Italian Civil Code. It was, in fact, redefined so that it better meets the needs of the Company and to bring it into line with the remuneration policy in the meantime further refined.

## **1. SUBJECT OF THE DELEGATED POWER**

Pursuant to Article 2443 of the Italian Civil Code, the Bylaws - also through amendments thereto - may grant the directors the power, respectively, to increase the share capital, on one or more occasions, in tranches, up to a fixed amount for a maximum period of five years from the date of the resolution of the amendment.

If, as proposed here: *(i)* the delegated power includes the management body's power to execute it, also excluding in full or in part the option right pursuant to paragraph 5 of Article 2441 of the Italian Civil Code, when such power is exercised, paragraph 6 of Article 2441<sup>2</sup> of the Italian Civil Code is applied as far as compatible (for listed companies in compliance with the special provisions of Article 158<sup>3</sup> of TUF) and the Bylaws determine the criteria with which directors must comply; *(ii)* the delegated power also includes the power to increase the capital on one or more occasions, in tranches and as a bonus, pursuant to Article 2349 of the Italian Civil Code; such power can only be exercised in favour of the employees of the Company and/or of its subsidiaries pursuant to Article 93 of TUF and to the extent of - and for an amount not greater than - the profits and/or profit reserves shown in the annual report approved on each occasion.

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<sup>2</sup> Article 2441, paragraph 6, of the Italian Civil Code establishes that: “Share capital increase proposals with exclusion or limitation of the option right, pursuant to the first sentence of the fourth or fifth paragraph of this Article, must be detailed by the Directors with a dedicated Report, which must show the reasons for the exclusion or the limitation or, should the exclusion arise from a contribution in kind, the reasons for the latter and, at any rate, the criteria adopted for determining the issue price. The Directors must forward the Report to the Board of Statutory Auditors or the Supervisory Board and to the subject in charge of legal auditing at least thirty days before the date of the Shareholders' Meeting. Within fifteen days, the Board of Statutory Auditors must express its opinion on the fairness of the share issue price. The opinion of the Board of Statutory Auditors and, in the case envisaged by the fourth paragraph, the sworn report of the expert appointed by the Court or the documentation provided for by Article 2343-ter, third paragraph, shall be deposited at the Company's address for the fifteen days that precede the Meeting and until after it has passed a resolution; shareholders may view them. The resolution determines the share issue price based on the value of the shareholders' equity, taking into account - for shares listed on regulated markets - the share price trend for the last six months”.

<sup>3</sup> Article 158 of TUF sets out that: “1. In the case of increases in capital with exclusion or limitation of the option right, the opinion on the fairness of the issue price of the shares shall be rendered by an independent auditor or auditing firm. Capital increase proposals shall be sent to the independent auditor or auditing firm together with the Directors' Report referred to in the sixth paragraph of Article 2441 of the Italian Civil Code at least forty-five days before the day set for the Shareholders' Meeting that must examine them. 2. The Directors' report and the opinion of the independent auditor or auditing firm must be available to the public in line with the provisions of Article 125-ter, paragraph 1, for at least the twenty-one days preceding the Meeting and until the Meeting has resolved. The aforementioned documents shall be attached to the other documents requested for registering the resolution into the Companies' Register. 3. The provision of the aforementioned paragraph also applies to the Report of the independent auditor or auditing firm provided for by Article 2441, paragraph 4, second part, of the Italian Civil Code. 3-bis. The sworn report by the Court-appointed expert pursuant to Article 2343 of the Italian Civil Code or the documentation provided for by Article 2343-ter, third paragraph, of the Italian Civil Code, are made available to the public pursuant to the provisions of Article 125-ter, paragraph 1, for at least twenty-one days preceding the Meeting and until the Meeting has resolved”.

For the reasons and the objectives described in greater detail in this Report, the Delegated Power that we propose you should grant to the Board of Directors includes the power to:

A. Pursuant to Article 2443 of the Italian Civil Code:

- (i) increase share capital on one or more occasions, against payment, in tranches, by issuing ordinary and/or savings shares, with exclusion or limitation of the option right pursuant to paragraphs 5 and 8 of Article 2441 of the Italian Civil Code, to service compensation plans based on financial instruments pursuant to Paragraph 1 of Article 114-*bis* of the Consolidated Finance Act;
- (ii) increase share capital on one or more occasions, as a bonus, in tranches, by issuing ordinary and/or savings shares reserved for employees of the Company and/or its Subsidiaries pursuant to Article 2349 of the Italian Civil Code, to service compensation plans based on financial instruments pursuant to Paragraph 1 of Article 114-*bis* of the Consolidated Finance Act;

all the above for a total maximum amount of €30,000,000.00 (thirty million) to be exercised within a period of five years from the date of the Shareholders' Meeting resolution to grant the Delegated Power in question (that is, the maximum amount pursuant to Article 2443 of the Italian Civil Code), with the power to set any premium.

**2. REASONS FOR THE DELEGATED POWER AND CRITERIA FOR EXERCISING IT**

The Company's remuneration policy entails the creation, for Key Management Personnel, and other managers and key employees of the Group, of a Long Term Incentive Plan - structured in a mixed cash and performance share format - that includes retention clauses, in order to (i) align management interests to that of the creation of shareholder value, as well as (ii) motivate and retain within the Group strategic employees that are difficult to hire on the market, as well as, generally speaking, grant the possibility of recognising long-term variable compensation components by means of plans that entail the allocation of monetary incentives and/or the assignment, even as a bonus, of shares or share options, including new-issues, aimed at (a) focusing the beneficiaries' attention on strategic interest issues, (b) increasing their retention, (c) aligning remuneration with mid- to long-term shareholder value creation and (d) ensuring an overall competitive compensation level. Such plans are a tool that the Company intends to consider using on each occasion to incentivise the productivity of all individuals who have a subordinate, freelance, management, collaboration or consultancy-type working relationship, of any kind, including directors, employees, contract works and/or consultants of the Company and/or its parent and/or subsidiary companies pursuant to Article 93 of TUF, for whom actions aimed at increasing loyalty and or promoting a value-creation culture for all strategic and operational decisions are justified. For further information on the remuneration policy, see the Remuneration Report pursuant to Article

123-ter of TUF, which will be published within the times set by law and made available on the Company's website [www.salini-impregilo.com](http://www.salini-impregilo.com).

In line with these principles, the Board of Directors, in the Meeting of March 19, 2015, resolved to submit to the Shareholders' Meeting of April 30, 2015:

- (a) in ordinary call, the approval of an incentive plan, reserved to certain employees, contract workers and/or directors vested with special duties for the Company and its parent and subsidiary companies, pursuant to Article 2359 of the Italian Civil Code, called the "*2015-2017 Performance Shares Plan*" (the "**Plan**"). The Plan is described in the information document ("**Information Document**") drafted pursuant to Article 84-bis of the regulation approved by Consob with Resolution No. 11971 of May 14, 1999, and subsequent amendments (the "**Issuers' Regulation**" or "**IR**"), provided to Shareholders for the resolutions on the fourth item of the agenda for the ordinary session of the Shareholders' Meeting and available on the Company website [www.salini-impregilo.com](http://www.salini-impregilo.com), under the Governance/ Shareholders' Meeting section. The Plan, entails *inter alia* that, upon achieving certain targets, ordinary shares of the Company already in the Company portfolio (or subsequently purchased) be assigned, free of charge to the beneficiaries, or if it so decides – subject to the approval by the Extraordinary Shareholders' Meeting during the extraordinary session – of the introduction of the power described at point (b) below into the Bylaws - the new-issue ordinary shares resulting from one or several bonus share capital increases, to be implemented pursuant to Article 2349 of the Italian Civil Code;
- (b) in extraordinary session, as the first item on the agenda, the approval of the introduction into the company Bylaws of the power to assign profits and/or profit reserves to the employees of the Company and its subsidiaries, through the issue of shares reserved to them, pursuant to Article 2349, paragraph 1, of the Italian Civil Code. The proposed amendments to the company Bylaws are detailed in a specific report drafted in compliance with the law, available on the Company website [www.salini-impregilo.com](http://www.salini-impregilo.com), under the Governance/ Shareholders' meeting section.

The Delegated Power, with the ample scope proposed, enables the Company to equip itself with a flexible tool to take full advantage of the remuneration mechanisms proposed by the Plan and/or plans that may be approved in the future to implement its own remuneration policy, by quickly resolving on the funding required to service them, in order to efficiently respond to the situation that will arise when the options are exercised and/or the units assigned in execution thereof are converted.

It also represents a suitably flexible tool to strike a compromise between the goal of adequately pursuing the aforementioned attraction, incentivisation, and retention objectives and the need to safeguard the Company's

economic and financial balance and its sustainability over time, which is the basis of Salini Impregilo's remuneration policy.

The power to exclude the option right is proposed also pursuant to Article 2441, paragraphs 5 and 6, of the Italian Civil Code, as well as by paragraph 8 of the aforementioned Article, taking into account the fact that - as highlighted above - beneficiaries may include subjects (such as managers, contract workers and/or consultants) to whom - since they do not have a subordinate employment relationship with the company - the preferential regime provided for in the aforementioned paragraph 8 of Article 2441 of the Italian Civil Code may not apply.

### **3. ALLOCATION OF THE INCREASE**

The new shares issued when exercising the Delegated Power shall be fully reserved to the beneficiaries of the Plan and/or the plans that may be approved in future in implementation of the Company's remuneration policy.

The right to receive - against payment or as a bonus – these new shares shall be assigned to beneficiaries on a personal and non-transferable basis *inter vivos* and shall be assigned and shall lapse according to the terms of the Plan and/or the plans that may be approved in the future.

### **4. CRITERIA FOR DETERMINING THE SHARE ISSUE PRICE AND ALLOCATION RATIO**

The new-issue ordinary shares that may be issued to service the Plan in exercise of the Delegated Power shall be assigned to the beneficiaries as a bonus, based on the provisions of the relevant regulation.

The capital increase via the issue of new ordinary shares to service the Plan, where resolved upon in exercising the Delegated Power, when establishing the number of shares to be issued shall take into account the criteria established by the Plan to determine the number of Salini Impregilo's shares to be allocated to each beneficiary. For further information, see the Information Document available on the Company's website [www.salini-impregilo.com](http://www.salini-impregilo.com), under the Governance/ Shareholders' Meeting section.

For resolutions about capital increases against payment to service any remuneration plans based on the award of financial instruments, the Company's share subscription price, must be determined considering the exercise price for the options that are the subject of the plan and the relevant rules, without prejudice to the limits pursuant to paragraphs 5 and 6 of Article 2441 of the Italian Civil Code, where applicable.

For resolutions about capital increases as a bonus pursuant to Article 2349 of the Italian Civil Code for servicing any compensation plans based on the award of financial instruments, the number of shares to be issued will have to be established on the basis of the Company's value as given by accounting policies compliant with market best practice and the relevant regulations. The Board of Directors, moreover, is granted the power to identify from time to time the profits and/or profit reserves to be assigned to this purpose, with the mandate

to make suitable accounting entries following issue transactions, in compliance with legal provisions and the accounting principles applicable on each occasion.

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The criteria and the motivations detailed establish some guidelines with which the Board of Directors must comply when exercising the Delegated Power, in particular to offer the beneficiaries of the Plans and/or the plans that may be approved in future in implementation of the Company's remuneration policy the financial instruments that may be issued pursuant to paragraph 5 of Article 2441<sup>4</sup> of the Italian Civil Code and pursuant to Article 2349 of the Italian Civil Code, without prejudice to the obligation of explaining with a dedicated report on the reasons and the features of each of the capital increases resolved by the Board of Directors when exercising the Delegated Power in question.

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#### **5. DURATION AND PERIOD FOR EXERCISING THE DELEGATED POWER**

We hereby propose to establish that the Delegated Power should be effective for the five-year legal maximum term, starting from the date of the Shareholders' Meeting resolution, and to establish that it may be exercised on one or more occasions.

Without prejudice to the above, the time scales for exercising the aforementioned Delegated Power, pursuant to Article 2443 of the Italian Civil Code, depending on the case, as well as the terms and conditions for any issue, shall depend on the Plan and/or the plans that may be approved in future to implement the Company's remuneration policy, as well as on the actual opportunities that shall arise and, at any rate, shall be promptly communicated to the market pursuant to legal and regulatory provisions, as soon as the Board of Directors shall determine them.

In the event this proposal is approved by the Shareholders' Meeting, the Delegated Power shall have been exercised by April 29, 2020, after which it will automatically lapse.

#### **6. SHARE FEATURES**

The Company's shares awarded to the Beneficiaries will have the same rights as the outstanding shares on the issue date.

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<sup>4</sup> Article 2441, paragraphs 4 and 5, of the Italian Civil Code establishes that: Paragraph 4 "*The option right is not due for new-issue shares that, according to the capital increase resolution, must be paid for by means of contribution in kind. In public companies listed on regulated markets, the Bylaws may also exclude the option right to ten per cent of the pre-existing share capital, as long as the issue price is consistent with the shares' market value and this is confirmed in a specific report by an independent auditor or auditing firm*"; Paragraph 5 "*When the company's interest requires it, the option right can be excluded or limited with the capital increase resolution*".

**7. AMOUNT OF THE DELEGATED POWER**

Without prejudice to the provisions of the previous paragraph 4, we hereby propose to establish that the amount of the Delegated Power shall be equal to a maximum nominal amount of €30,000,000.00 (thirty million), with the power of the Board to establish any premiums.

**8. AMENDMENT OF ARTICLE 7 OF THE COMPANY BYLAWS**

The proposed amendments to the text of Article 7 of the company Bylaws are shown below.

It should be noted that the proposal under examination is the fourth item on the agenda of the Extraordinary Shareholders' Meeting. The third item on the agenda of the aforementioned Meeting is the full revocation of the delegated power granted on September 12, 2013, which also concerns the issue of financial instruments for servicing compensation plans based on financial instruments referred to in paragraph 1 of Article 114-*bis* of TUF. As a result, detailed below are the amendments to the text of the delegated power granted on September 12, 2013, which we propose to approve in the event that the aforementioned full revocation proposal should not be approved and such text were to continue to be apply to issuances other than those servicing compensation plans based on financial instruments pursuant to paragraph 1 of Article 114-*bis* of TUF that is the subject of the Delegated Power proposed here, if approved.

CURRENT TEXT	PROPOSED TEXT
<p style="text-align: center;"><b>Article 7</b></p> <p>The Extraordinary Shareholders' Meeting held on September 12, 2013 also resolved to grant the following powers to the Board of Directors:</p> <p>(i) Pursuant to Article 2443 of the Italian Civil Code, to increase share capital against payment, on one or more occasions, also in tranches, before September 11, 2018 pursuant to Article 2439 of the Italian Civil Code, by a maximum nominal amount of €100,000,000.00 (one hundred million), with the option to set a premium, through the issue of ordinary and/or savings shares, which may have <i>cum warrants</i> (which entitle their holders, at the Board's discretion,</p>	<p style="text-align: center;"><b>Article 7</b></p> <p>The Extraordinary Shareholders' Meeting held on September 12, 2013 also resolved to grant the following powers to the Board of Directors:</p> <p>(i) Pursuant to Article 2443 of the Italian Civil Code, to increase share capital against payment, on one or more occasions, also in tranches, before September 11, 2018 pursuant to Article 2439 of the Italian Civil Code, by a maximum nominal amount of €100,000,000.00 (one hundred million), with the option to set a premium, through the issue of ordinary and/or savings shares, which may have <i>cum warrants</i> (which entitle their holders, at the Board's</p>

to receive ordinary and/or savings shares and/or bonds or convertible bonds issued by the Board in exercise of a delegated power, either as a bonus or against payment, also from a new issue) to be offered to those entitled, with the exclusion or limitation - in full or in part – of the option right pursuant to paragraphs 4.1, 5 and 8 of Article 2441 of the Italian Civil Code, also to service:

(1) the exercise of the above-mentioned *warrants*; and/or

(2) convertible bonds (*cum warrants*, if applicable) also issued under a delegated power pursuant to Article 2420-ter of the Italian Civil Code; and/or

(3) warrants (conveying the right to receive ordinary and/or savings shares and/or convertible bonds of the company issued by the Board itself to exercise a delegated power, either as a bonus or against payment, from a new issue) added to bonds issued pursuant to Article 2410 of the Italian Civil Code and/or convertible bonds issued also under a delegated power pursuant to Article 2420-ter of the Italian Civil Code and/or independently.

For the purpose of exercising the above-mentioned delegated power, the Board of Directors is also granted all powers to (a) determine for each *tranche*: the number of shares, the issue price per share (including any share premium) and the dividend rights of the ordinary and/or savings shares which may have *cum warrants* to be issued on each occasion, subject only to the limitations set forth in Article 2438 and/or paragraph 5 of Article 2346 of the Italian Civil Code;

discretion, to receive ordinary and/or savings shares and/or bonds or convertible bonds issued by the Board in exercise of a delegated power, either as a bonus or against payment, also from a new issue) to be offered to those entitled, with the exclusion or limitation - in full or in part – of the option right pursuant to paragraphs 4.1, 5 and 8 of Article 2441 of the Italian Civil Code, also to service:

(1) the exercise of the above-mentioned *warrants*; and/or

(2) convertible bonds (*cum warrants*, if applicable) also issued under a delegated power pursuant to Article 2420-ter of the Italian Civil Code; and/or

(3) warrants (conveying the right to receive ordinary and/or savings shares and/or convertible bonds of the company issued by the Board itself to exercise a delegated power, either as a bonus or against payment, from a new issue) added to bonds issued pursuant to Article 2410 of the Italian Civil Code and/or convertible bonds issued also under a delegated power pursuant to Article 2420-ter of the Italian Civil Code and/or independently.

For the purpose of exercising the above-mentioned delegated power, the Board of Directors is also granted all powers to (a) determine for each *tranche*: the number of shares, the issue price per share (including any share premium) and the dividend rights of the ordinary and/or savings shares which may have *cum warrants* to be issued on each occasion, subject only to the limitations set forth in Article 2438 and/or paragraph 5 of Article 2346 of the

<p>(b) determine the deadline for subscription of the Company's ordinary and/or savings shares; (c) determine the number, procedures, terms and conditions and all other characteristics (including the allocation and conversion ratios and, if applicable, the exercise price) and the corresponding rules for any <i>warrants</i> issued in the exercise of this delegated power; (d) carry out all of the activities that may be necessary or appropriate to secure the listing on regulated markets in Italy or abroad of the warrants issued in the exercise of this delegated power, to be exercised at the Board's discretion for the entire duration of the <i>warrants</i> taking into account market conditions; and (e) implement the delegated powers mentioned above including, but not limited to, those necessary to make the pertinent and required amendments to the Bylaws that may be necessary from time to time.</p> <p>(ii) Pursuant to Article 2420-ter of the Italian Civil Code, to issue convertible bonds, which may also have <i>cum warrants</i> (which entitle their holders, at the Board's discretion, to receive ordinary and/or savings shares and/or bonds or convertible bonds issued by the Board itself to exercise a delegated power, either as a bonus or against payment, also from a new issue), on one or more occasions, and in tranches, before September 11, 2018, to be offered to those entitled, with the exclusion or limitation – in full or in part – of the option right pursuant to paragraphs 4.1, 5 and/or 8 of Article 2441 of the Italian Civil Code, up to a maximum of €100,000,000.00 (one hundred million).</p> <p>For the purpose of exercising the above-mentioned delegated power, the Board of Directors is also</p>	<p>Italian Civil Code; b) determine the deadline for subscription of the Company's ordinary and/or savings shares; (c) determine the number, procedures, terms and conditions and all other characteristics (including the allocation and conversion ratios and, if applicable, the exercise price) and the corresponding rules for any <i>warrants</i> issued in the exercise of this delegated power; (d) carry out all of the activities that may be necessary or appropriate to secure the listing on regulated markets in Italy or abroad of the warrants issued in the exercise of this delegated power, to be exercised at the Board's discretion for the entire duration of the warrants taking into account market conditions; and (e) implement the delegated powers mentioned above including, but not limited to, those necessary to make the pertinent and required amendments to the Bylaws that may be necessary from time to time.</p> <p>(ii) Pursuant to Article 2420-ter of the Italian Civil Code, to issue convertible bonds, which may also have <i>cum warrants</i> (which entitle their holders, at the Board's discretion, to receive ordinary and/or savings shares and/or bonds or convertible bonds issued by the Board itself to exercise a delegated power, either as a bonus or against payment, also from a new issue), on one or more occasions, and in tranches, before September 11, 2018, to be offered to those entitled, with the exclusion or limitation – in full or in part – of the option right pursuant to paragraphs 4.1, 5 and/or 8 of Article 2441 of the Italian Civil Code, up to a maximum of €100,000,000.00 (one hundred million).</p>
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granted all powers to (a) establish for each tranche, the number, issue price and the dividend rights of the convertible bonds (also *cum warrants* having the same characteristics as above) to be issued, and the number of financial instruments allocated to service the conversion or exercise of the bonds, subject only to the limits set forth in Article 2412 and/or Article 2420-bis of the Italian Civil Code, as applicable, and to allow the exercise of any warrants attached to the bonds; (b) establish the procedures, terms and conditions for conversion or exercise (including the allocation and conversion ratios and, if applicable, the exercise price and any share premium for the shares that need to be issued for that purpose) and all other characteristics and the rules governing the convertible bonds (possibly with *cum warrants* having the same characteristics as above); (c) establish the number, procedures, terms and conditions and all other characteristics (including the allocation and conversion ratios and, if applicable, the exercise price and any share premium for shares that need to be issued for such purpose) and the corresponding rules for any warrants attached to the bonds in question; (d) carry out all of the activities that may be necessary or appropriate to secure the listing on regulated markets in Italy or abroad of the warrants in the exercise of this delegated power, to be exercised at the Board's discretion for the entire duration of the warrants, taking into account market conditions; and (e) implement the delegated powers mentioned above including, but not limited to those necessary to make the pertinent and required amendments to the Bylaws

For the purpose of exercising the above-mentioned delegated power, the Board of Directors is also granted all powers to (a) establish for each tranche, the number, issue price and the dividend rights of the convertible bonds (also *cum warrants* having the same characteristics as above) to be issued, and the number of financial instruments allocated to service the conversion or exercise of the bonds, subject only to the limits set forth in Article 2412 and/or Article 2420-bis of the Italian Civil Code, as applicable, and to allow the exercise of any warrants attached to the bonds; (b) establish the procedures, terms and conditions for conversion or exercise (including the allocation and conversion ratios and, if applicable, the exercise price and any share premium for the shares that need to be issued for that purpose) and all other characteristics and the rules governing the convertible bonds (possibly with *cum warrants* having the same characteristics as above); (c) establish the number, procedures, terms and conditions and all other characteristics (including the allocation and conversion ratios and, if applicable, the exercise price and any share premium for shares that need to be issued for such purpose) and the corresponding rules for any warrants attached to the bonds in question; (d) carry out all of the activities that may be necessary or appropriate to secure the listing on regulated markets in Italy or abroad of the warrants in the exercise of this delegated power, to be exercised at the Board's discretion for the entire duration of the warrants, taking into account market conditions; and (e) implement the delegated powers mentioned above including, but not limited to those

<p>that may be necessary from time to time.</p> <p>For the resolutions adopted by the Board of Directors to implement the above delegated powers pursuant to Articles 2443 and/or 2420-ter of the Italian Civil Code, the Board of Directors shall comply with the following criteria:</p> <p>(A) The issue price, including any share premium, of the new ordinary and/or savings shares to be issued, on one or more occasions – in implementation of the delegated powers pursuant to Article 2443 of the Italian Civil Code (or to each <i>tranche</i>), including for use in connection with warrants and/or compensation plans based on the award of financial instruments, pursuant to Article 114-bis of Legislative Decree No. 58 of 1998 and/or the conversion of convertible bonds (including <i>cum warrants</i>) issued to implement the delegated powers pursuant to Article 2420-ter of the Italian Civil Code (or to each of their tranches) – shall be determined by the Board of Directors taking into account, <i>inter alia</i>, the equity, the conditions prevailing in the financial markets at the time the transaction is actually launched, and the Salini Impregilo share stock market prices, as well as the application of a possible discount in line with market practice for similar transactions. The issue price may be lower than the pre-existing book value of the shares, subject to the formalities and limits referred to in paragraphs 4, 5 and 6 of Article 2441 of the Italian Civil Code, where applicable.</p> <p>(B) For resolutions concerning compensation plans pursuant to Article 114 - bis of Legislative Decree no. 58 of 1998, based on the award of financial</p>	<p>necessary to make the pertinent and required amendments to the Bylaws that may be necessary from time to time.</p> <p>For the resolutions adopted by the Board of Directors to implement the above delegated powers pursuant to Articles 2443 and/or 2420-ter of the Italian Civil Code, the Board of Directors shall comply with the following criteria:</p> <p>(A) The issue price, including any share premium, of the new ordinary and/or savings shares to be issued, on one or more occasions - in implementation of the delegated powers pursuant to Article 2443 of the Italian Civil Code (or to each <i>tranche</i>), including for use in connection with warrants <del>and/or compensation plans based on the award of financial instruments pursuant to Article 114 bis of Legislative Decree No. 58 of 1998 and/or</del> the conversion of convertible bonds (including <i>cum warrants</i>) issued to implement the delegated powers pursuant to Article 2420-ter of the Italian Civil Code (or to each of their tranches) – shall be determined by the Board of Directors taking into account, <i>inter alia</i>, the equity, the conditions prevailing in the financial markets at the time the transaction is actually launched, and the Salini Impregilo share stock market prices, as well as the application of a possible discount in line with market practice for similar transactions. The issue price may be lower than the pre-existing book value of the shares, subject to the formalities and limits referred to in paragraphs 4, 5 and 6 of Article 2441 of the Italian Civil Code, where applicable.</p> <p><del>(B) For resolutions concerning compensation plans</del></p>
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instruments, the unit subscription price (including any share premium) of the Issuer's ordinary shares, including the shares into which the above - mentioned financial instruments may be convertible or exercisable, will be determined at the time the options are awarded, taking into account the exercise price of the plan's options and the plan's regulations, without prejudice to the formalities and limits referred to paragraphs 4.1, 5 and 6 of Article 2441 of the Italian Civil Code, where applicable.

(C) For resolutions pursuant to paragraph 4.1 and/or paragraph 5 of Article 2441 of the Italian Civil Code, the option right may be excluded or limited when such exclusion or limitation appears – even only reasonably – more beneficial to the company's interest, on the understanding that, in any case, for the purposes of the requirements of paragraph 6 of Article 2441 of the Italian Civil Code, by virtue of the reference cited in paragraph 1 of Article 2443 of the Italian Civil Code:

(1) the exclusion of the option right of Shareholders pursuant to paragraph 4 of Article 2441 of the Italian Civil Code will be allowed only if the newly issued shares are paid for through the contribution, by third parties, of business units, companies or physical plant facilities functionally organised to carry out activities consistent with the Company's corporate purpose, as well as receivables, equity investments, listed and unlisted financial instruments, and/or other assets that the Board of Directors believes to be instrumental for the pursuit of the corporate purpose;

(2) the exclusion or limitation of the option right pursuant to paragraph 5 of Article 2441 of the Italian

~~pursuant to Article 114-bis of Legislative Decree no. 58 of 1998, based on the award of financial instruments, the unit subscription price (including any share premium) of the Issuer's ordinary shares, including the shares into which the above-mentioned financial instruments may be convertible or exercisable, will be determined at the time the options are awarded, taking into account the exercise price of the plan's options and the plan's regulations, without prejudice to the formalities and limits referred to paragraphs 4.1, 5 and 6 of Article 2441 of the Italian Civil Code, where applicable.~~

~~(C)~~**(B)** For resolutions pursuant to paragraph 4.1 and/or paragraph 5 of Article 2441 of the Italian Civil Code, the option right may be excluded or limited when such exclusion or limitation appears – even only reasonably – more beneficial to the company's interest, on the understanding that, in any case, for the purposes of the requirements of paragraph 6 of Article 2441 of the Italian Civil Code, by virtue of the reference cited in paragraph 1 of Article 2443 of the Italian Civil Code:

(1) the exclusion of the option right of Shareholders pursuant to paragraph 4 of Article 2441 of the Italian Civil Code will be allowed only if the newly issued shares are paid for through the contribution, by third parties, of business units, companies or physical plant facilities functionally organised to carry out activities consistent with the Company's corporate purpose, as well as receivables, equity investments, listed and unlisted financial instruments, and/or other assets that the Board of Directors believes to be

<p>Civil Code will only be allowed if the newly issued shares are offered for subscription to qualified parties, such as banks, institutions, finance companies, investment funds or operators who engage in activities in line with and/or functional to those of Salini Impregilo S.p.A. and/or have a purpose similar or related to that of the Company or otherwise functional to the development of the Company's activity.</p> <p>In any event, the sum of the nominal amount of the share capital increase approved in the exercise of the delegated powers referred to in (i) above, and the amount of the convertible bonds issued in the exercise of the delegated powers referred to in (ii) above, shall not exceed the total maximum nominal amount of €100,000,000.00 (one hundred million). Likewise, the sum of the nominal amount of the share capital increase approved in the exercise of the delegated powers referred to in (i) above and the total nominal amount of the share capital increase carried out to allow the conversion of the convertible bonds issued in the exercise of the delegated powers referred to in (ii) above, and/or the exercise of any warrants issued in the exercise of such delegated powers, shall not in any event exceed the total maximum nominal amount of €100,000,000.00.</p>	<p>instrumental for the pursuit of the corporate purpose;</p> <p>(2) the exclusion or limitation of the option right pursuant to paragraph 5 of Article 2441 of the Italian Civil Code will only be allowed if the newly issued shares are offered for subscription to qualified parties, such as banks, institutions, finance companies, investment funds or operators who engage in activities in line with and/or functional to those of Salini Impregilo S.p.A. and/or have a purpose similar or related to that of the Company or otherwise functional to the development of the Company's activity.</p> <p>In any event, the sum of the nominal amount of the share capital increase approved in the exercise of the delegated powers referred to in (i) above, and the amount of the convertible bonds issued in the exercise of the delegated powers referred to in (ii) above, shall not exceed the total maximum nominal amount of €100,000,000.00 (one hundred million). Likewise, the sum of the nominal amount of the share capital increase approved in the exercise of the delegated powers referred to in (i) above and the total nominal amount of the share capital increase carried out to allow the conversion of the convertible bonds issued in the exercise of the delegated powers referred to in (ii) above, and/or the exercise of any warrants issued in the exercise of such delegated powers, shall not in any event exceed the total maximum nominal amount of €100,000,000.00.</p>
	<p><b>The Extraordinary Shareholders' Meeting held on April 30, 2015 [also] resolved to grant the</b></p>

following powers to the Board of Directors:

(i) Pursuant to Article 2443 of the Italian Civil Code, to increase share capital, on one or more occasions, also in tranches pursuant to Article 2439 of the Italian Civil Code, for a maximum nominal amount of €30,000,000.00 (thirty million), to service compensation plans based on financial instruments pursuant to Article 114-bis, paragraph 1, of Legislative Decree no. 58 of February 24, 1998:

(A) against payment, with the power to set any share premium, by issuing ordinary and/or savings shares, to the beneficiaries of the aforementioned plans, also with exclusion of the option right pursuant to paragraphs 5 and/or 8 of Article 2441 of the Italian Civil Code;

(B) as a bonus, pursuant to Article 2349 of the Italian Civil Code, within the limits provided for therein, by issuing ordinary and/or savings shares.

For the purpose of exercising the above-mentioned delegated power, the Board of Directors is also granted all powers to (a) determine for each tranche the number of shares, the issue price per share (including any share premium) and the dividend rights of the ordinary and/or savings shares, subject to the limits set forth in Article 2438 and/or paragraph 5 of Article 2346 and/or, where applicable, Article 2349 of the Italian Civil Code, and in accordance, as regards the issue price, the

parameters, where applicable, specified below;  
(b) determine the deadline for subscription and/or bonus issue of the Company's ordinary and/or savings shares; (c) implement the delegated powers mentioned above including, but not limited to, those necessary to make the pertinent and required amendments to the Bylaws that may be necessary on each occasion.

For resolutions that service compensation plans pursuant to Article 114-*bis* of Legislative Decree No. 58 of 1998, adopted by the Board of Directions in the exercise of the aforementioned delegated powers pursuant to Article 2443 of the Italian Civil Code, the Board of Directors shall have to comply with the following criteria.

(a) For resolutions concerning compensation plans pursuant to Article 114-*bis* of Legislative Decree No. 58 of 1998, based on the award of financial instruments, the unit subscription price (including any share premium) of the Issuer's shares, will be determined taking into account the exercise price of the plan's options and the plan's regulations, without prejudice to the formalities and limits referred to paragraphs 5 and 6 of Article 2441 of the Italian Civil Code, where applicable.

(b) For resolutions concerning compensation plans pursuant to Article 114-*bis* of Legislative Decree No. 58 of 1998, based on the bonus issue of financial instruments, the nature and the amount of the reserves that will be included into the share capital, the number of shares that may

	<p>be issued and their valuation criteria (which may also lead to a unit value lower than the pre-existing book value) in line with market practice for similar transactions, will have to be specified.</p>
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**9. IMPACT ON THE FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOW RESULTING FROM THE TRANSACTION; IMPACT ON THE UNIT PRICE OF SHARES AND DILUTION**

Whilst executing the Delegated Power, the Board of Directors shall adequately inform the market about the economic, equity and financial effects of the transaction in question, as well as about the effects on the share unit value and any possible dilution resulting from the transaction.

**10. NO RIGHT OF WITHDRAWAL**

Please note that the proposed amendment to the company Bylaws does not fall within any of the cases of grounds for withdrawal in accordance with the company Bylaws and applicable laws and regulations.

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**DRAFT RESOLUTION**

**FOR THE EXTRAORDINARY SHAREHOLDERS' MEETING**

Dear Shareholders,

with respect to the aforementioned, the Board of Directors submits the following draft resolution for your approval:

*“The Shareholders’ Meeting of Salini Impregilo S.p.A., convened in extraordinary session:*

*(i) having acknowledged the "Board of Directors' Report" and the proposals contained therein; and*

*(ii) having acknowledged the Board of Statutory Auditors' certification that the current share capital of Salini Impregilo S.p.A. amounts to €544,740,000, subdivided into 492,172,691 ordinary shares and 1,615,491 savings shares, with no par value, and is fully subscribed and paid-in;*

***RESOLVES***

- to delegate the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power to increase share capital, on one or more occasions, also in tranches, against payment and/or as a bonus, to service compensation plans based on*

*financial instruments pursuant to Article 114-bis, paragraph 1, of Legislative Decree no. 58 of February 24, 1998, to be approved or that may be approved in future, according to the terms and conditions contained in the aforementioned "Board of Directors' Report" and the amendment to the company Bylaws proposed therein;*

2. *as a result:*

(i) *in the event of non-approval of the revocation proposal (set out in the separate, previous item on the agenda of the extraordinary session of today's Meeting) for the delegated power granted to the Board of Directors on September 12, 2013 to:*

(a) *amend the text and, therefore, the terms and conditions of the aforementioned delegated power contained in the fourth paragraph of the current text of Article 7 of the company Bylaws in line with the proposal set out in the first part of paragraph 8 of the "Board of Directors' Report" and*

(b) *subsequently to the aforesaid delegated power, insert the delegated power herewith proposed into the text, as described in the second part of paragraph 8 of the "Board of Directors' Report";*

(ii) *in the event of approval of the aforementioned revocation proposal and of non-approval of the new delegated power proposed at the same time in the separate and previous item on the agenda of the extraordinary session of today's Meeting, to replace such new delegated power with the delegated power hereby proposed in the text referred to in the second part of paragraph 8 of the "Board of Directors' Report";*

(iii) *in the event of approval of the aforementioned revocation proposal and of non-approval of the new delegated power proposed at the same time in the separate and previous item on the agenda of the extraordinary session of today's Meeting, to insert after such new delegated power the delegated power hereby proposed in the text referred to in the second part of paragraph 8 of the "Board of Directors' Report";*

*text reproduced below*

*"The Extraordinary Shareholders' Meeting held on April 30, 2015 [also] resolved to grant the following powers to the Board of Directors.*

(i) *Pursuant to Article 2443 of the Italian Civil Code, to increase share capital, on one or more occasions, also in tranches pursuant to Article 2439 of the Italian Civil Code, within April 29, 2020, for a maximum nominal amount of € 30,000,000.00 (thirty million) to service compensation plans based on financial instruments pursuant to Article 114-bis, paragraph 1, of Legislative Decree no. 58 of February 24, 1998:*

(A) *against payment, with the power to set any share premium, by issuing ordinary and/or savings shares, to the beneficiaries of the aforementioned plans, also with exclusion of the option right pursuant to paragraphs 5 and/or 8 of Article 2441 of the Italian Civil Code;*

(B) *as a bonus, pursuant to Article 2349 of the Italian Civil Code, within the limits provided for therein, by issuing ordinary and/or savings shares.*

*For the purpose of exercising the above-mentioned delegated power, the Board of Directors is also granted all powers to (a) determine for each tranche the number of shares, the issue price per share (including any share premium) and the dividend rights of the ordinary and/or savings shares to be issued from time to time, subject to the limits set out in Article 2438 and/or paragraph 5 of Article 2346 and/or, where applicable, Article 2349 of the Italian Civil Code, and in accordance, as regards the issue price, the parameters, where applicable, specified below ; (b) determine the deadline for subscription and/or bonus issue of the Company's ordinary and/or savings shares; (c) implement the delegated powers mentioned above including, but not limited to, those necessary to make the pertinent and required amendments to the Bylaws that may be necessary on each occasion.*

*For resolutions that service compensation plans pursuant to Article 114-bis of Legislative Decree No. 58 of 1998, adopted by the Board of Directors in the exercise of the aforementioned delegated powers pursuant to Article 2443 of the Italian Civil Code, the Board of Directors shall have to comply with the following criteria.*

*(a) For resolutions concerning compensation plans pursuant to Article 114-bis of Legislative Decree No. 58 of 1998, based on the award of financial instruments, the unit subscription price (including any share premium) of the Issuer's shares, will be determined taking into account the exercise price of the plan's options and the plan's regulations, without prejudice to the formalities and limits referred to paragraphs 5 and 6 of Article 2441 of the Italian Civil Code, where applicable.*

*(b) For resolutions concerning compensation plans pursuant to Article 114-bis of Legislative Decree No. 58 of 1998, based on the bonus issue of financial instruments, the nature and the amount of the reserves shown in the most recently approved financial statements that will be included into the share capital, the number of shares that may be issued and their valuation criteria (which may also lead to a unit value lower than the pre-existing book value) in line with market practice for similar transactions, will have to be specified.*

*3. to grant to the Board of Directors, and on its behalf its Chairman and interim acting Chief Executive, severally and also through especially appointed proxies, the widest powers (with no exclusions) necessary or suitable to implement the resolutions above and exercise the rights subject of the same, as well as make any changes, additions or non-substantive eliminations to the resolutions that may be necessary on request of all competent authorities or on registration in the Company Register, as representatives of the Company”.*

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Milan, March 31, 2015

on behalf of the Board of Directors of Salini Impregilo S.p.A.

Claudio Costamagna, Chairman