



**ORDINARY SHAREHOLDERS' MEETING
OF APRIL 30, 2018**

**REPORT OF THE BOARD OF DIRECTORS
ON THE ITEMS ON THE AGENDA**

CONTENTS

1. FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017. DIRECTORS', BOARD OF AUDITORS' AND AUDITING FIRMS REPORTS	3
1.1. Approval of the Financial Statements as at December 31, 2017.	3
1.2. DISTRIBUTION OF A DIVIDEND.	3
2: APPOINTMENT OF THE BOARD OF DIRECTORS	4
2.1 DeterminATION OF the number of Directors.	4
2.2 DETERMINATION OF THE TIME IN OFFICE OF THE DIRECTORS	4
2.3 Appointment of the Directors.	5
2.4 DETERMINATION OF THE DIRECTORS' REMUNERATION	8
3: REPORT ON THE REMUNERATION PURSUANT TO ARTICLE 123-TER OF LEGISLATIVE DECREE 58 OF FEBRUARY 24, 1998. RELATED AND CONSEQUENT RESOLUTIONS.	8
4: RESOLUTIONS CONCERNING THE ADJUSTMENT OF THE BOARD OF STATUTORY AUDITORS' REMUNERATION.	9
5: RESOLUTIONS CONCERNING THE ADJUSTMENT OF THE REMUNERATION DUE TO THE INDEPENDENT AUDITORS.	10

1. FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017. DIRECTORS', BOARD OF STATUTORY AUDITORS' AND INDEPENDENT AUDITORS' REPORTS.

1.1. APPROVAL OF THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017.

Dear Shareholders,

With regard to this item on the agenda, please refer to the Financial Statements as at December 31, 2017, of Salini Impregilo S.p.A. (hereinafter "The Company"), which closes with a year loss of € 91,188,206.95 - which include Director's, Board of Statutory Auditors' and Independent Auditors' reports. – which will be made available to the public, pursuant to the Law, at the company's headquarters, on the centralized storage system authorized by Consob, "1Info", (that can be consulted at www.1info.it), and on the Company's website in the "Governance – Shareholders' Meeting" section.

Resolution proposal

The Board of Directors asks you to approve the Financial Statements as at December 31, 2017 of Salini Impregilo S.p.A., which closes with a year loss of € 91,188,206.95.

3

1.2. DISTRIBUTION OF A DIVIDEND.

Dear Shareholders,

Since the Company's draft financial statements as at December 31, 2017, closed with a loss for the year of € 91,188,206.95, we suggest that this loss is covered by using the total sum of the "New Revenue" reserve of € 60,074,558.27 and of the Merger reserve, equal to €31,113,648.68.

We are also asking you to approve the distribution of a dividend to ordinary and savings shareholders, to be taken from the Merger reserve, also considering that according to our Bylaws, ordinary shares and savings shares have the same rights if sums are taken from reserves (Article 8 of the Bylaws).

Resolution

The Board of Directors is submitting the following proposal for your approval:

To approve the proposal to cover the year loss of € 91,188,206.95 by totally using the "New Revenue" reserve that amounts to €60,074,558.27, also by partially using the Merger reserve of €31,113,648.68. We are also asking you to approve the proposal to distribute to ordinary and savings shareholders an amount of € 0.053 before taxes for each existing share with a right to the dividend at the coupon detachment date, except for one's shares in the portfolio at that date. The coupon detachment date will be on May 21, 2018, while the payments will be made on May 23, 2018 (record date May 22, 2018)

2: APPOINTMENT OF THE BOARD OF DIRECTORS

Dear Shareholders,

the mandate of the Board of Directors appointed by the Shareholders' Ordinary Meeting on April 30, 2015, and subsequently integrated with the Ordinary Shareholders' Meeting resolution on April 28, 2016, will expire when the Financial Statements for the year 2017 are approved.

The Board of Directors, pursuant to Article 1.C.1. lett. h) of the Corporate Governance Code of listed companies, to which Salini Impregilo S.p.A. adhered, due to the fact that it needs to renew its governance bodies, and having heard the Nomination Committee, having also considered the self-assessment results of the Board, advised Shareholders on the managerial and professional figures deemed necessary by the Board. This advice has been attached to this report as attachment "A".

The Corporate Governance Code to which the Company adhered, sets that Shareholders, when presenting lists, also assess their choices by considering this advice.

Shareholders are called to resolve on the following items on the agenda.

2.1 DETERMINATION OF THE NUMBER OF DIRECTORS.

Dear Shareholders,

pursuant to Art. 20 of the Bylaws, the Company is managed by a Board of Directors composed of a minimum of seven and a maximum of fifteen members. It therefore asks the Shareholders' Meeting to resolve on the number of Directors, within this set limit.

4

Resolution proposal

The Board of Directors is asking you to determine the number of Directors, pursuant to Article 20 of the Bylaws.

2.2 DETERMINATION OF THE TIME IN OFFICE OF THE DIRECTORS

Dear Shareholders,

Article 20 of the Bylaws, pursuant to what has been set by Article 2383, paragraph 2, of the Italian Civil Code, establishes that *"The Directors may not be appointed for a period longer than three financial years, which ends at the date on which the Shareholders' Meeting is called for the approval of the financial statements of the last financial year of their office. They may be re-elected"*. The Shareholders' Meeting will resolve on how long Directors will hold their office, within the aforesaid limits.

Resolution

The Board of Directors is asking you to set the Directors' time in office, pursuant to Article 20 of the Bylaws.

2.3 APPOINTMENT OF THE DIRECTORS.

Dear Shareholders,

Directors are elected according to numeric sequence lists. These lists will be presented by shareholders, according to the procedures detailed below. The current legal provision on gender and number balance will also be abided by. Directors must also possess the independence requirements required by the Law, according to the number of members within the Board of Directors.

These lists expressly identify candidates with the above-mentioned independence requirements. Furthermore, since Salini Impregilo S.p.A. is a listed company subject to the direction and coordination of other companies (Salini Costruttori S.p.A.), pursuant to Article. 16 of the Market Regulation adopted by Consob Resolution no. 20249 of December 28, 2017, the number of independent Directors appointed must be such to allow Company committees, whose establishment is recommended by the Corporate Governance Code of listed companies to which the Company adhered, to be entirely composed of Directors meeting the independence requirements.

Lists with a total number of three or more candidates, must include candidates of both genders. A third of the new Board must, be in fact, composed of the gender with fewer representatives (rounding up to the next unit, in case of a fractional number).

In compliance with the recommendations of the Governance Code, the Board of Directors of the Company, expressed, as at February 23, 2017, its advice as to the maximum number of offices as director or auditor the members of the Board of Directors of Salini Impregilo S.p.A. may hold in market regulations (including foreign ones), in financial, banking and insurance companies or in companies of a significant size, in order to ensure the efficient fulfillment of the office of Director of the Company according to dedicated rules. These rules provide for the maximum number of offices which may be held by the directors of Salini Impregilo in the administration and control bodies of other "companies of a significant size" to be as follows:

- 4 (four) offices for the executive Directors;
- 6 (six) offices for non-executive Directors, members of the Executive Committee, if instituted;
- 8 (eight) offices for non-executive Directors non-members of the Executive Committee, if instituted.

By "companies of a significant size" we mean:

- a. Italian companies with listed shares in the Italian regulatory markets or those of other countries of the European Union, and companies which issue financial instruments among the public as per Article 116 of the U.F.L.;
- b. banks, financial brokers pursuant to article 107 of the Italian Legislative Decree no. 385 of September 1st, 1993, SIM (security firms) pursuant to Article 1, paragraph 1, letter e) of the U.F.L., open-ended investment companies (SICAV) pursuant to Article 1, paragraph 1, letter i) of the U.F.L., asset management companies pursuant to Article, paragraph 1, letter o) of the U.F.L., insurance companies pursuant to Article 1, paragraph 1, letters s), t) and u) of the Italian Legislative Decree no. 209 of September 7, 2005, incorporated as companies pursuant to Book V, Paragraphs V, VI, and VII of the Italian Civil Code, and different from the subjects under the aforesaid letter a);
- c. companies which, as per Book V, Title V, Paragraphs i V, VI and VII of the Italian Civil Code, are different from the companies under points a) and b) which, individually or jointly at group level, if they draw up financial statements, have i) goods and services profits in excess of 500 million Euro or ii) intangible assets in the balance sheet in excess of 800 million Euro.

When computing the number of offices:

- the offices held in companies directly and/or indirectly controlled by Salini Impregilo are not to be considered;

- the offices in companies that directly and/or indirectly control Salini Impregilo are not to be considered, nor are the offices held in companies directly and/or indirectly subjected to the common control of Salini Impregilo;
- the offices held by alternate auditors are not to be considered;
- the offices held in companies of a significant size which belong to a same group other than the Salini Impregilo Group are considered to have the following "weight":
 - one office: 1
 - two offices: total weight equal to 1.5
 - from three offices on: total weight equal to 2.

Should a director be offered to hold new offices making him/her exceed the indicated limits, he/she must notify the Board, which may grant derogations, even temporary ones, to the maximum number of offices set by the rules and suitably motivate such derogation. The derogation and its motivation shall be reported in the Company's Corporate Governance Report and in its Proprietary Assets.

The Board of Directors has also expressed its orientation to the Shareholders as to the composition of the new Board, which was made public and will be enclosed to the illustrative report. The Governance Code adopted by the Company provides for the Shareholders, at the time of presentation of the lists, to assess their choices in view also of the aforesaid orientation.

Lists must be deposited, together with the further documents required by the law and by the regulations in force, **no later than April 5, 2018** (twenty-five days before the date set for the Shareholders' Meeting in single call), with the following alternative methods:

- by hand delivery at the Company's registered office, *Ufficio Affari Societari* (Corporate Affairs Department), Via dei Missaglia no. 97 – 20142 Milan, on working days and during normal office hours;
- through the certified e-mail address (PEC) pec@pec.salini-impregilo.com;
- through the ordinary e-mail address societario@salini-impregilo.com

The lists will be made available to the public by depositing them at the registered office and on the Company's website, www.salini-impregilo.com, "Governance-Shareholders' Meeting" section, and on the 1Info storage mechanism (www.1info.it), within the terms provided for by the law, i.e. **no later than April 9, 2018**.

Every Shareholder, Shareholders adhering to a Shareholders' Agreement pursuant to Article 122 of Italian Legislative Decree no. 58/1998, the controlling subject, subsidiaries and companies subject to common control, pursuant to Article 93 of the Italian Legislative Decree no. 58/1998 may not submit or concur in submitting, not even through an intermediary or a trust company, more than one list. Nor may they vote other lists, not even through an intermediary or a trust company. Each single candidate may be present in only one list. Should this not occur he/she will be deemed ineligible. Adhesions and votes expressed in violation of this prohibition will not be assigned to any list.

Only Shareholders who, individually or jointly with other Shareholders, hold enough shares to represent at least 1% of the share capital with the right to vote in the ordinary Shareholders' Meeting (in force of the combined provisions of Consob resolution no. 20273 of January 24, 2018, and of Article 16 of the Bylaws) will be entitled to submit the lists.

Together with each list, under the aforesaid respective terms, the following must be deposited: (i) a statement in which each single candidate accepts his/her nomination and attests, under his/her own responsibility, that no cause of ineligibility or incompatibility exists, as well as his/her having the requisites provided for their respective offices; (ii) a résumé indicating the personal and professional characteristics of each candidate and, possibly the indication of his/her suitability to qualify as independent, and of the management and control offices held in other companies; (iii) further information requested by Law and regulations, and corporate regulations concerning the number of offices held by the Board of Directors as at February 23, 2017, as stated above. Candidates who - in the list - are shown as independent pursuant to the Law, must also deposit a statement in which they attest, under their own responsibility, that they possess the independence requirements provided for by the Law. Within the term provided for by current regulations for corporate list publishing, a specific certification, issued by an authorized intermediary, pursuant to the Law, proving the number of shares held at the time of the list's submission at the Company's registered office must also be deposited. Shareholders who intend to submit lists for the appointment of the Board of Directors are invited to follow the recommendations set in the Consob Notice DEM/9017893 of February 26, 2009. Lists submitted in violation of the aforesaid provisions will be deemed as not submitted.

For the election of the Board of Directors, the Meeting shall proceed as follows:

- a) if at least one list received a number of votes which represents at least 29% of the share capital with the right to vote in the ordinary Shareholders' Meeting, all eligible directors, minus one, will be taken in the order in which they are listed from the list which obtained the highest number of votes. The remaining director will be taken from the minority list which received the highest number of votes, and is not linked in any way, not even indirectly, to those who submitted the list which obtained the majority of votes. If the first two lists received the same number of votes, an equal number of directors, minus one, will be taken from each list in the same order in which they are listed and the remaining Director will be taken from the list which results third in number of votes and is not linked in any way, not even indirectly, to those who submitted or voted the lists which obtained the highest number of votes. When only two lists are submitted and they received the same number of votes, the remaining Director will be the oldest candidate among those who were not taken from the first two lists;
- b) if no list received a number of votes which represent at least 29% of the share capital with the right to vote in the ordinary Shareholders' Meeting, the Directors will be taken from all the submitted lists as follows: the votes obtained by the lists will be further divided by progressive whole numbers from one to the number of Directors to be elected. The ratios obtained in this way will be progressively assigned to the candidates of each list, in the same order provided by these lists. The ratios so assigned to the candidates in the various lists will be arranged in a single decreasing classification. Those who obtained the highest ratios will be elected. Should more than one candidate obtain the same ratio, the one in the list which has had so far no Director elected, or whose number of elected Directors is the lowest, will be elected.

To distribute the eligible Directors, the lists which failed to reach a percentage of votes at least equal to half of the one required by the Bylaws will not be taken into account for list submission purposes. If, with the candidates elected with the aforesaid methods, the necessary number of Directors from the least represented gender is not guaranteed, or the minimum number of Directors who must possess the independence requisites provided for by the law based on the number of members of the Board of Directors, in compliance with the pro-tempore rules in force, the last elected candidate in progressive number in the list which received the highest number of votes will be replaced by the first candidate of the least represented gender and/or who has the independence requisites provided for by the law but is not elected in the same list in progressive order, depending on the cases. This replacement procedure will be followed until the composition of the Board of Directors complies

with the pro-tempore rules in force. Finally, if this procedure fails to ensure the last indicated result, the replacement will be performed via a resolution by the Shareholders' Meeting with a relative majority, upon previous presentation of candidates who possess the required characteristics. Should no list be submitted or admitted, the Shareholders' Meeting shall decide with the majorities provided for by the Law, without following the aforesaid procedure yet ensuring, in any case, the presence of the necessary number of Directors possessing the independence requisites provided for by the Law, and compliance with the pro-tempore rules in force, according to gender balance purposes.

Resolution proposal

With regard to what has been mentioned above, the Board of Directors is asking you to nominate the Company's Directors according to the abovementioned provisions.

2.4 DETERMINATION OF THE DIRECTORS' REMUNERATION

Dear Shareholders,

Article 20 of the Company's Bylaws establishes that the Shareholders' Meeting will determine the remuneration of the Board of Directors, pursuant to Art. 2389, first paragraph, of the Italian Civil Code.

The outgoing Board of Directors did not make any proposals with regard to this matter.

Resolution

The Board of Directors is asking you to determine the Directors' remuneration, pursuant to Art. 2389, first paragraph of the Italian Civil Code, for carrying out their role's activities.

3: REPORT ON THE REMUNERATION PURSUANT TO ARTICLE 123-TER OF LEGISLATIVE DECREE 58 OF FEBRUARY 24, 1998. RELATED AND CONSEQUENT RESOLUTIONS.

Dear Shareholders,

Pursuant to art. 123-ter, sixth paragraph, of the U.L.F., the Board of Directors is called to resolve, in favour or against, but in any case, through a non-binding resolution, with regard to the first section of the Remuneration report, which describes the company's remuneration policy for members of administrative bodies and for other executives with strategic responsibilities.

Please refer to the Remuneration Report. Said report will be made available to the public according to the terms and procedures set by current regulations.

Resolution proposal

The Board of Directors is asking you to approve the first section of the Remuneration Report. Said report describes the Company's 2018 remuneration policy for members of administrative bodies and for executives with strategic responsibilities.

4: RESOLUTIONS CONCERNING THE ADJUSTMENT OF THE BOARD OF STATUTORY AUDITORS' REMUNERATION.

Dear Shareholders,

We would like to recall that the Shareholders' Meeting held on April 27, 2017, appointed the following people members of the current Board of Statutory Auditors: Mr Giacinto Gaetano Sarubbi (Chairperson); Ms Teresa Cristiana Naddeo and Mr Alessandro Trotter – (Statutory Auditors); Mr Piero Nodaro and Mr Roberto Cassader - (Alternate Auditors) - for 2017 – 2018 - and 2019 and, therefore, until the Financial Statements as at December 31, 2019 are approved.

The Shareholders' Meeting also established the annual gross remuneration fee of the Chairperson of the Board of Statutory Auditors at 60,000.00 Euro, while each Statutory Auditor will receive an annual gross remuneration of 40,000 Euro. In addition to this, an attendance fee for the participation of members of the Board of Statutory Auditors, including the Chairperson, for each meeting attended of the Board of Directors and of the Committees that are part of it will also be given. The fee has been set to €1,000.00 (one thousand) for personal participation, and €500.00 (five hundred) if one attends through audio or video-conference.

From 2018, the Board of Directors, for the residual office period of the Board of Statutory Auditors, also asks to adjust the latter's remuneration. This is due to the fact that the Group has expanded structurally and dimensionally, that the assessments carried out by the Board of Statutory Auditors have also consequently increased, and to comply with new legal provisions (particularly Italian Legislative Decree no. 135 of July 17, 2016) that set new responsibilities for the latter.

In particular, the Board of Directors proposes the following:

- to stop using the attendance fees for the Board of Statutory Auditors, including the Chairperson when its members attend Board of Director meetings and meetings of committees that are part of it;
- to establish an all-inclusive annual gross fee of €120,000.00 for the Chairperson of the Board of Statutory Auditors;
- to establish an all-inclusive annual gross fee of € 80,000 for each Statutory Auditor.

Resolution proposal

The Board of Directors is asking you to approve the proposal to adjust the remuneration of the Board of Statutory Auditors, according to the above-mentioned conditions and terms.

5: RESOLUTIONS CONCERNING THE ADJUSTMENT OF THE REMUNERATION DUE TO THE INDEPENDENT AUDITORS.

Dear Shareholders,

We would like to recall that the Shareholders' Meeting held on April 30, 2015, resolved to appoint KPMG S.p.A. (hereinafter "KPMG") to carry out audit activities for the Company's financial statements for the 2015-2023 nine-year-period.

KPMG with a letter dated January 23, 2018, detailed its additional audit activities and relevant fees, starting from the financial year that closed on December 31, 2017:

- i) modifications to the audit activities required by the Italian Legislative Decree no. 135 of July 17 2016 that modifies what has been set by the Italian Legislative Decree no. 39/2010 and by EU Regulation no. 537/2014;
- ii) the Group's expansion that also called for an increase of the areas covered by KPMG.

To this regard, the Board of Statutory Auditors has drawn-up, pursuant to Article 16 of EU Regulation no. 537/2014, a specific motivated recommendation to the Board of Directors with regard to the integration of the remuneration set by the KPMG contract, which is attached to this document, and named "Attachment B".

The Board of Directors, during the meeting held on March 15, 2018, deemed the recommendation given by the Board of Statutory Auditors appropriate, and decided to propose its implementation during the Shareholders' Meeting.

In particular, for the abovementioned reasons and as detailed in Attachment B, we propose to adjust the remuneration due for the auditing services carried out by KPMG and for the connected activities deriving from the added activities mentioned by KPMG. To this regard, we wish to propose an integrative sum up to €180,000 of the remuneration due to KPMG, for each financial year starting from the statutory audit of the annual and consolidated financial statements as at December 31, 2017, and from the limited accounting audit of the half-year financial report as at June 30, 2018. The remuneration and total number of hours would in this case move increase from €1,050,000 to €1,230,000 (excluding ISTAT increase, out-of-pocket expenses, external consultancy services, VAT and surveillance contribution in favour of CONSOB, if due), and from 11,000 to 12,900 hours.

Resolution

With regard to what has been said above, the Board of Directors is asking you to approve the adjustment of the remuneration of the Independent Auditors, in compliance with what has been mentioned above, and in line with the motivated recommendation given by the company's Board of Statutory Auditors.

**SALINI IMPREGILO S.P.A.'S BOARD OF DIRECTORS' ADVICE
ON THE COMPOSITION OF THE NEW BOARD OF DIRECTORS**

*(approved during the Board meeting held on March 15,
2018)*

The Board of Directors of Salini Impregilo S.p.A. ("The Company"), in compliance with the provisions of Application Criterion 1.C.1, letter h) of the Corporate Governance Code for listed companies ("the Code"), considering that its three-year mandate will expire with the approval of the Annual Financial Statements as at December 31, 2017, advises shareholders with regard to the managers and professional figures deemed necessary. The advice also takes into account the opinion of the Compensation and Nominating Committee and the self-assessment results of the performance of the Board of Directors and its committees.

Reference context

The Salini Impregilo Group specializes in large complex infrastructure. It is competitive and globally present in the international market. In business terms, it works in a particularly complex global context.

Due to the above-mentioned reasons, and to the specific features connected to the Group, we deem it necessary for the Board to preserve the same qualitative and quantitative characteristics, in terms of competencies, professional competence, experience in the sector, dedicated commitment (both in terms of time and energies spent).

Board composition

Considering what has been set by the Code, with regard to professional competence, experience (including managerial experience), gender of the members of the Board of Directors, and the number of years spent as a director, the Board of Directors believes that:

a) the Chairman of the Board of Directors:

- should be an authoritative person of substance, who is deemed reliable by institutions: in any case, he/she must be credible, as he/she will act as guarantor for all Company Shareholders and Stakeholders;
- should be experienced at a primary institution level, i.e. have experience as an executive of listed companies or companies whose size, international spirit, governance and business complexity can compare to Salini Impregilo's;
- should be a non-executive Director.

b) the Chief Executive Officer:

- should have successfully gained extensive experience in the top-level management of groups or companies of similar size, international spirit and complexity as Salini Impregilo;

- should preferably have gained experience, in business areas belonging to an *industry* engaged in infrastructure or sectors that are similar in terms of operational and strategic issues of a critical nature;
- should have a *vision*, a highly-developed strategic and result-orientated approach, and strong *team leadership skills*;
- should be vested with wide management powers and function as head of the company;

c) the other Directors:

- should all be non-executive and mostly independent from Management and Shareholders, pursuant to the Law and to the Corporate Governance Code. Both substance and form should be considered when assessing if the independence requirement has been met;
- should have gained professional experience that has allowed them to acquire specific knowledge in relation to the Company's typical business areas;
- should possess specific professional skills and be selected among:
 - ✓ managers who have held top management or management control positions in industrial and financial sectors in companies whose size, international spirit and governance and business complexity is similar to Salini Impregilo's, with significant international presence.
 - ✓ experts in corporate finance, risk management and/or international auditing and/or corporate and commercial law, also at an international institution level.

In addition to the above professional skills (and experience) and to legal provisions on gender balance in corporate bodies, it is important to ensure an extensive range of skills, professional backgrounds, gender diversity, age groups, number of years spent as a director and, ideally, nationality of the Directors, to ensure an in-depth analysis of the items on the agenda, and an adequate membership of board committees.

Shareholders, when submitting their nominations, should also assess if the persons proposed for Director can guarantee their full availability to attend board meetings, and internal committee meetings, and take part in informal meetings with the other Directors.

All Directors should be able to understand and speak English.

The Chairman

**Motivated advice from the Board of Statutory Auditors, pursuant to Article 13
of the Italian Legislative Decree no. 39/2010 and Article 16 of EU Regulation
no. 537/2014 concerning the adjustment of the Independent Auditors'
remuneration.**

Dear Ladies and Gentlemen of the Board of Directors,

13

KPMG S.p.A. (hereinafter “KPMG”), which was appointed by the Shareholders' Meeting of April 30, 2015 to carry out the company's statutory auditing activities for the accounts of Salini Impregilo S.p.A. (hereinafter also as “the Company”) for the 2015-2023 nine-year period, with a letter dated January 23, 2018, detailed the additional auditing activities carried out and its fees, which it expects to carry out starting from the year closed at December 31, 2017, due to:

- i) the modifications to the statutory audit activities required by the Italian Legislative Decree no. 135 of July 17, 2016, which modifies what has been set by the Italian Legislative Decree no. 39/2010 (hereinafter also the “Reform”), and EU Regulation no. 537/2014 (hereinafter also “EU Regulation”);
- ii) the expansion of the Group's dimensions and of the area of activities carried out by the Central Team

In particular, with regard to sub point (i), the main amendments approved by the Reform that will impact the appointed tasks will concern:

- the audit report, which must include additional information compared to what was previously the norm. This will cause an increase of audit activities, which will therefore set,

inter alia, specific meetings with the Company's Top Management and with the persons responsible for the company's governance activities, and also additional audit procedures, etc;

- the additional report for the "Internal Control and Financial Audit Committee" (identified as the Board of Statutory Auditors, pursuant to Article 19 of the Italian Legislative Decree no. 39/2010), which is a detailed document that must be prepared and sent to the abovementioned Committee within the Independent Auditors' report date.

With regard to sub point (ii), KPMG points out that during these last years, the Group's dimensions and its consequent business volume have significantly increased compared to 2014 (considered as the reference point for quotation estimates of March 2015). This is due to new company acquisitions (e.g. Lane Industries) and new projects (e.g. projects won in Tajikistan, Ethiopia and Australia). This caused a significant increase of the auditing procedures and of the actual activities carried out by the Audit Team (hereinafter also the "Central Team"), especially with regard to the coordination and supervision of activities carried out by secondary auditors on new projects.

KPMG, in its communication, also states that the Central Team's activity perimeter has increased compared to what was set by the plan and by the audit plans of the financial statements closed at December 31, 2015 and 2016. This is because for some companies/operational units that were audited by a secondary auditor or that could not be included within the audit perimeter for the financial statements closed as at December 31, 2015, limited audits were carried out (for the financial statements closed as at December 31, 2016) and will be carried out (starting from the financial statements as at December 31, 2017) by the Central Team.

Having said this, KPMG with its communication sent on January 23, 2018, stated that starting from the statutory auditing of the annual and consolidated financial statements as at December 31, 2017, and from the limited accounts audit of the condensed consolidated interim financial statements as at June 30, 2018, work hours and extra fees are estimated as follows:

	Hours no.	Fees €
Statutory audit of the annual financial statements, including checking during the year, that the company keeps its books properly, and correctly reports company related facts in the books of Salini Impregilo S.p.A., as stated in the appointment letter of March 12, 2015	6,500	620,000
Statutory auditing of the Group's consolidated financial statements, as set in the appointment letter of March 12, 2015.	2,200	210,000
Limited accounts auditing of the condensed consolidated interim financial statements, as set in the appointment letter of March 12, 2015.	2,300	220,000
Total hours and fees for audit activities, as set in the proposal of March 12, 2015	11,000	1,050,000
Audit activities following Italian Legislative Decree no. 135 of July 17, 2016 and EU Regulation no. 537/2014	650	60,000
Change to the Group's dimensions and to the activity perimeter of the Central Team	1,250	120,000
Total statutory auditing activities of the Group's annual and consolidated financial statements and of the limited accounts auditing activities for the condensed consolidated interim financial statements	12,900	1,230,000

Please note that what has not been included in KPMG's letter of January 23, 2018, will abide by what was set in the original letter of appointment of March 12, 2015.

15

Due to what has been mentioned above, the activities and fees set in the abovementioned letter of appointment of March 12, 2015, approved by the Ordinary Shareholders' Meeting on April 30, 2015, must be integrated, to keep track of the new time estimates, starting from the statutory auditing of the annual and consolidated financial statements as at December 31, 2017 and the limited accounting audit of the condensed consolidated interim financial statements, as at June 30, 2018.

To this end,

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- Article 13, paragraph 1 of the Italian Legislative Decree no. 39/2010 states that "Except for what has been set by Article 2328, paragraph 2, number 11) of the Italian Civil Code, and it being understood that the awarding of mandates from entities of public interest are regulated by Article 17, paragraph 1, of said Decree and by Article 16 of the EU Regulation, the meeting, upon motivated proposal of the controlling body, shall appoint the statutory auditing mandate, determining the remuneration of the auditor or of the Independent

auditors carrying out statutory auditing activities, for the whole mandate, and the eventual criteria to adopt to adjust this remuneration during the mandate";

- that the Board of Directors on April 30, 2105, resolved, upon motivated advice of the Board of Statutory Auditors of March 12, 2015, to award the mandate to carry out statutory audits and the activities connected with account audits, to KPMG S.p.A. for the 2015-2023 nine-year period, approving its fees, as detailed in the motivated advice provided by the Board of Statutory Auditors on the company's website, among the documents relating to the Shareholders' Meeting of April 30, 2015;

HAVING CONSIDERED

- that the Board of Statutory Auditors met KPMG on January 23, 2018, to discuss the reasons to integrate the latter's remuneration, both in terms of professional responsibility and additional audit procedures to carry out ;
- that these reasons were further examined and assessed in an in-depth manner by the Board of Statutory Auditors, even with support and assistance from the relevant corporate functions, which carried out the necessary preliminary investigation, even with regard to the implementation of the specific "Awarding mandates to the Independent Auditors of Salini Impregilo S.p.A." adopted by the Company, verifying that integration is compatible with the contract already signed with KPMG in 2015;

16

HAVING VERIFIED THAT

- based on what has been written in the letter of January 23, 2018, and sent by KPMG, it actually sets forth an increase of the amount of hours and fees, from 2017 to 2023 (the last year of the Independent Auditors' mandate), according to what is detailed hereafter:

	Hours no.	Fees €
Statutory audit of the annual financial statements, including checking during the year, that the company keeps its books as it should, and that it correctly reports company related facts in the books of Salini Impregilo S.p.A. as stated in the appointment letter of March 12, 2015	6,500	620,000
Statutory auditing of the Group's consolidated financial statements, as set in the appointment letter of March 12, 2015.	2,200	210,000
Limited accounts auditing of the condensed consolidated interim financial statements, as set in the appointment letter of March 12, 2015.	2,300	220,000
Total hours and fees for audit activities, as set in the proposal of March 12, 2015	11,000	1,050,000
Audit activities following Italian Legislative Decree no. 135 of July 17, 2016 and EU Regulation no. 537/2014	650	60,000
Change to the Group's dimensions and to the activity perimeter of the Central Team	1,250	120,000

Total statutory auditing activities of the Group's annual and consolidated financial statements and of the limited accounts auditing activities for the condensed consolidated interim financial statements

12,900

1,230,000

- that, as also already stated by KPMG, part of the requested increase would cover the activities previously carried out by a secondary auditor, allowing to save economically on fees previously paid to the latter;
 - that the letter of appointment of KPMG of March 12, 2015, at paragraph 6.2 envisages the possibility to change/extend the subject and estimate of the hours and fees due, to carry out statutory audits on the accounts for the 2015-2023 nine-year period;
 - that the statutory updates introduced by the Reform and by EU Regulation of the statutory audit activities, and the changes to the Group's structure and dimensions after the appointment letter of KPMG of March 12, 2105, are such as to bring an expansion to KPMG's Central Team work perimeter.
 - that extra hours were valorized, using the same professional fees, on the corresponding figures, as applied in the current contract signed in 2015;
 - that the remuneration increase is valid after it has been approved by the Shareholders' Meeting, starting from the statutory audit of the annual and consolidated financial statements as at December 31, 2017, and from the limited accounts audit of the condensed consolidated interim financial statements as at June 30, 2018. The appointment extension proposal is not retroactive;
 - that the requested remuneration is appropriate and adequate for the activities carried out
- having said this, the Board of Statutory Auditors

ADVISES

the Board of Directors to submit the proposal for its approval during the Shareholders' Meeting, according to what has been previously described, to adjust the remuneration for the statutory accounts audit and the related activities communicated by KPMG with letter of January 23, 2018; to that end, approving an integration up to €180,000 of what is due to KPMG, for each year starting from the statutory audits of the annual and consolidated financial statements as at December 31, 2017 and the limited accounts audit of the condensed consolidated interim financial statements as at June 30, 2018. Remuneration and total number of hours, with regard to each year starting from 2017, will increase from €1,050,000 to €1,230,000 (excluding ISTAT increase, out-of-pocket expenses, external consultancy, VAT and surveillance contribution for CONSOB, if due), and from 11,000 to 12,900 hours.

All other terms of the original audit proposal of March 12, 2015 remain valid.

Milan, March 12, 2018

The Board of Statutory Auditors

Mr Giacinto Sarubbi – Chairperson

Ms Teresa Cristiana Naddeo – Statutory Auditor

Mr Alessandro Trotter – Statutory Auditor