

4) Appointment of the Board of Directors

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Shareholders,

With the approval of the financial statements as at 31 December 2015, the mandate of the Company's Board of Directors expires, appointed for the years 2013-2014-2015 by the Ordinary Shareholders' Meeting of 10 June 2013.

Consequently, the next Shareholders' Meeting will be requested to: (4.1) determine the number of members of the Board of Directors, (4.2) determine the term of office of the Board of Directors, (4.3) appoint the members of the Board of Directors, (4.4) appoint the Chairperson of the Board of Directors, and (4.5) determine the compensation for members of the Board of Directors.

4.1 Determination of the number of members of the Board of Directors

Art. 16, paragraph 1, of the Articles of Association (available for consultation on the internet site www.astm.it in the "Governance" section), states that "*the Company is managed by a Board composed of a number of members ranging between seven and fifteen, according to the decision taken by the Shareholders' Meeting, by ensuring a number of independent directors, as well as gender parity, as required by law*".

Thus, the Board of Directors requests that the Shareholders determine the number of members of the Board of Directors within the established range based on the proposals that may be formulated by Shareholders, including during the Shareholders' Meeting.

4.2 Determination of the term of office of the Board of Directors

Art. 16 of the Articles of Association envisages that *“the Directors are in office for the time agreed by the Shareholders' Meeting and in any case, not more than three financial years”* and, therefore, we request the Shareholders to determine the term of office of the Board of Directors based on the proposals that may be formulated by Shareholders, including during the Shareholders' Meeting.

4.3 Appointment of the members of the Board of Directors

In accordance with the aforementioned art. 16 of the Articles of Association and governing regulations, the entire Board of Directors is appointed based on lists submitted by Shareholders who, alone or together with others, hold shares representing at least 1% of the share capital, in reference to shares registered to the Shareholder on the day the lists are submitted to the Company, as prescribed by Consob Resolution no. 19499 of 28 January 2016. The related certification of ownership, issued by a qualified broker, may be produced after the submission of lists, provided that it is produced no later than the twenty-first day prior to the date of the Shareholders' Meeting (specifically, no later than 7 April 2016).

Each Shareholder can draw up or submit only one list.

The lists must be submitted at the Registered Office or to the email address assembleaastm@astm.it, no later than the twenty-fifth day prior to the date of the Shareholders' Meeting (specifically, no later than 3 April 2016).

Each list shall include a number of candidates not exceeding the maximum number of Directors set out by the aforementioned paragraph 1 of art. 16 of the Articles of Association and, upon filing at the Registered Office, shall include i) information concerning personal and professional details of the candidates; ii) the written acceptance of candidature and the declaration that the candidate does not belong to other lists; and (iii) additional documentation provided for by applicable law.

As regards the candidates, in addition to the requirements provided by law, note the limits envisaged in the "Procedures for identifying the Maximum Number of positions as Director or Statutory Auditor in other Companies", published on the Issuer's internet site (in the "Governance" section).

Furthermore, in accordance with the recommendations of the Code of Conduct of listed issuers drafted by the Corporate Governance Committee, the Board of Directors has expressed its opinion to Shareholders on the size and composition of the incoming Board.

Each list shall include at least two candidates who comply with the independence requirements set out by the current regulations, by indicating them separately and including one of these at the first place in the list. The lists with three or more candidates shall also include, pursuant to the information provided in the notice of call, candidates of both genders, so as to ensure compliance with the governing regulations on gender parity.

The lists, accompanied by the necessary documentation, shall be made available at the Registered Office, on the Company's internet site (in the "Governance" section), on the Borsa Italiana S.p.A. internet site, and in the authorised archival system, at least 21 days prior to the date set for the Shareholders' Meeting held in single call.

The procedure for the appointment of the Board's members is described below:

- a) four-fifths of the Directors to be appointed will be chosen from the list that obtains the majority of votes expressed by the persons entitled to vote, in the order in which they are listed, rounding off in case of fractional number;
- b) the remaining Directors will be chosen from other lists; to this purpose, the votes obtained by the lists will be subsequently divided by one, two and three, according to the number of Directors who shall be elected. The ratios obtained will be progressively assigned to the candidates of each list, according to their related order. The ratios assigned to the candidates of the lists will be listed in a single ranking and those with the highest ratios will be elected.

If more candidates obtain the same ratio, the one belonging to the list with no

Directors - or with the smallest number of Directors - appointed, shall be elected. In the event of a tie in list votes - and therefore in ratios - the Meeting will vote again and the candidate who obtains the simple majority of votes will be elected.

If, as a result of this procedure, the composition of the Board of Directors does not ensure gender parity, the candidates who are elected in the lists are included in one single ranking, which is created according to the ratio system described in the previous paragraph b). The candidate belonging to the most represented gender and with the lowest ratio among the candidates of all lists is replaced – while respecting the minimum number of independent directors – by the first candidate that has not been elected, belonging to the less represented gender in the same list as the replaced candidate.

If the candidates of different lists obtain the same ratio, the candidate belonging to the list with the highest number of directors will be replaced.

However, even if, despite the replacement of the candidate belonging to the most represented gender and with the lowest ratio, it is not possible to achieve the minimum threshold set out by the current regulations on gender parity, the above-mentioned replacement is carried out also for the candidate of the most represented gender with the penultimate ratio, and so on and so forth starting from the bottom of the ranking. If the above-mentioned procedure is not applicable, the replacement is made by the Shareholders' Meeting according to legal majorities, in compliance with the principle of proportional representation of minorities within the Board of Directors.

If no list is submitted or accepted or, for any reason, it is not possible to appoint one or more Directors according to the provisions set out in art. 16 of the Articles of Association, the Shareholders' Meeting passes resolutions according to legal majorities, so as to ensure, pursuant to current regulations, the presence of Directors who comply with independence requirements, as well as compliance with the provisions of regulations in force with regard to gender parity.

As this is the second renewal of the Board of Directors after gender parity regulations came into force, the percentage to be reserved for the less represented

gender is one-third of appointed Directors, with rounding to the higher number, in the event of a fraction.

In light of the above, we request the Shareholders to appoint the members of the Board of Directors based on the lists of candidates for the position of member of the Board of Directors that will be submitted and published in compliance with the provisions noted above.

4.4 Appointment of the Chairperson of the Board of Directors

Whereas, pursuant to art. 17 of the Articles of Association, the power to appoint the Chairperson of the Board of Directors is attributed to the Ordinary Shareholders' Meeting, we request that Shareholders appoint the Chairperson of the Board of Directors based on the proposals that may be formulated by Shareholders, including during the Shareholders' Meeting.

4.5 Determination of the compensation for members of the Board of Directors

In compliance with article 16 of the current Articles of Association, *“the Shareholders' Meeting approves the annual compensation for members of the Board; this compensation is valid also for the financial years following the one for which it was approved, until a new decision is taken by the Shareholders' Meeting”*.

Thus, the Board of Directors requests that the Shareholders determine the compensation for members of the Board of Directors and its Chairperson based on proposals that may be formulated by Shareholders, including during the Shareholders' Meeting.

Tortona, 10 March 2016

for the Board of Directors

The Chairperson

(Gian Maria Gros-Pietro)

*Annex: Recommendation of the ASTM S.p.A. Board of Directors to Shareholders
regarding the size and composition of the incoming Board of Directors*

Recommendation of the ASTM S.p.A. Board of Directors to Shareholders regarding the size and composition of the incoming Board of Directors

In application of the provision of Application Criteria 1.C.1 letter h) of the Code of Conduct of listed issuers drafted by the Corporate Governance Committee (the "Code") and given the renewal of the Board of Directors by the Ordinary Shareholders' Meeting (called for 28 April 2016), the Directors have deemed it appropriate to express their opinion to Shareholders regarding the size and composition of the incoming Board of Directors.

Size and structure of the Board of Directors

The outgoing Board of Directors was appointed by the Shareholders' Meeting of 10 June 2013, which set the number of members at 15, within the range envisaged in art. 16 of the Articles of Association, according to which *"the Company is managed by a Board composed of a number of members ranging between seven and fifteen, according to the decision taken by the Shareholders' Meeting, by ensuring a number of independent directors, as well as gender parity, as required by law"*.

Of the 15 Directors, 6 have stated that they meet the independence requirements set forth in both art. 148, paragraph 3 of Legislative Decree no. 58/1998 as well as art. 3 of the Code, while 1 Director has stated his/her independence solely in reference to paragraph 3 of the aforementioned art. 148.

The numeric composition of the Board of Directors (15 members) has been deemed adequate to the size, structure, and articulation of the organisational framework of ASTM S.p.A. and the related Group, allowing management responsibilities to be carried out as part of the Company's governance.

The number of independent Directors and the relationship between these and the non-independent Directors is deemed balanced and appropriate in relation to the Board's size and the needs of the Committees, established in adherence with the Code's recommendations.

Given the above, the composition of the Board is aligned with legal and regulatory provisions as well as the Articles of Association, in terms of the both the independence profile and gender parity. As regards the latter, note that, as this is the second renewal of the Board of Directors after gender parity regulations came into force, the percentage to be reserved for the less represented gender must be one-third of appointed Directors, with rounding to the higher number in the event of a fraction.

In addition, for the proper and effective functioning of the Board, it is necessary to consider the profile and quality of its members, with the awareness that an adequate base of experience and preparation is a fundamental prerequisite so that the Board has the adequate administrative skills.

As such, with regard to the industrial holding activity carried out by the Company, the Directors believe that there must be a wide range of professional profiles represented in the Board (developed in legal, technical, economic and financial roles) so that the Board has all necessary skills to achieve the strategies and purposes of both ASTM S.p.A. and the Group, with the contribution of specific skills and in consideration of the seniority of the position.

For this reason, the Shareholders, in considering candidates, should also evaluate whether the proposed individuals can ensure their full availability to participate in Board and Committee meetings, dedicating sufficient time to the diligent performance of their duties, in consideration of the number and type of positions (administration or control) held in other companies.

The individual positions must satisfy and comply with the ASTM S.p.A. policy on the "Procedures for identifying the Maximum Number of positions as Director or Statutory Auditor in other Companies" (available for consultation on the Company's internet site in the "Governance" section), containing the maximum number of positions (as director or auditor in other companies listed on regulated markets, including foreign markets, in financial, banking, insurance or large enterprises), that the Directors must comply with to ensure diligent performance of their duties, compatible with the commitment associated

with each role in relation to the nature and size of the companies in which the positions are held.

Tortona, 10 March 2016

for the Board of Directors

The Chairperson

(Gian Maria Gros-Pietro)