



REMUNERATION REPORT

**PREPARED PURSUANT TO ARTICLES 123-TER OF TUF (Consolidated Law on Finance)
AND 84-QUARTER OF ISSUERS' REGULATION**

Website: www.astm.it

**Approved by the Board of Directors of ASTM S.p.A.
on 29 March 2017**

Letter of the Committee's Chairperson

Dear Shareholders,

with this document, it is my pleasure to detail to you SIAS S.p.A.'s Remuneration Report, which is not only a formal exercise in compliance with applicable requirements, but also the opportunity to present to Shareholders and the financial community at large the values and remuneration criteria of the Top Management of the Company.

The belief that Top Management's compensation, corporate performance and medium to long-term value creation for shareholders are strictly linked, together with transparency on the quality of remuneration systems, are the cornerstones of ASTM S.p.A.'s remuneration policy, which complies with legal requirements and is in line with best practice and the expectations of all stakeholders.

ASTM's remuneration system, based on the know-how that has informed all our human resources management policies, is increasingly guided by the principles of the Corporate Governance Code, and represents a key tool to:

- ✓ attract, retain and motivate individuals with the best professional profiles;
- ✓ making managers aware of the importance of their duties and responsibilities
- ✓ align management actions with shareholders' interests
- ✓ promote value creation
- ✓ comply with human resource development principles.

Based on such principles and In light of major recent changes in the Company's and Group's strategy, and of business development initiatives deployed on foreign markets, in line with past choices, an overall review of remuneration policies has been initiated with the aim of aligning compensation models with the growing need to compete on new markets and increasingly link remuneration to medium/long-term corporate results.

All of the above in the belief that, having chosen - as a development of previous policies - to adopt practices and tools that enable us to ensure consistency between management compensation and overall results is a key pre-requisite to meeting investors' expectations.

This Report, prepared pursuant to Article 123-ter of Italian Legislative Decree 58/1998, has been adopted by the Board of Directors, who approved its contents in its meeting of 29 March 2017.

Marco Weigmann
Chairperson of the Remuneration
Committee

GLOSSARY

Chief Executive Officer: is the member of the Board of Directors to whom the aforementioned Board has attributed powers of Chief Executive Officer. ASTM S.p.a.'s Chief Executive Officer is Mr. Alberto Rubegni.

Shareholders' Meeting: ASTM's Shareholders' Meeting.

ASTM or Company: ASTM S.p.A., with registered offices in Corso Regina Margherita no. 165, Turin.

Corporate Governance Code: the Corporate Governance Code for listed companies approved in 2015 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., which ASTM declared to have adopted pursuant to Article 123-bis, paragraph 2a) of TUF.

Board of Statutory Auditors: ASTM's Board of Statutory Auditors.

Risk and Control Committee: it is part of the Board of Directors and consists of independent directors. Pursuant to the Procedure for Transactions with Related Parties¹ adopted by the Company, it also performs the function of Related Parties Committee.

Remuneration Committee or **Committee:** The Remuneration Committee established by ASTM pursuant to the Corporate Governance Code.

Board of Directors: ASTM's Board of Directors.

Consob: the Italian Securities and Exchange Commission, with registered office in via G.B. Martini no. 3, Rome.

EBITDA (Earnings before interest, tax, depreciation and amortization): also defined as "gross operating margin" or "GOM" is a profitability index that shows the company's income from normal operations, i.e. gross of any interest (financial management), tax (financial management), depreciation and amortisation.

Group: collectively, ASTM and Italian or foreign entities controlled by ASTM pursuant to Article 2359 of the Italian Civil Code or on which ASTM exercises a significant influence pursuant to Article 2359, paragraph 3, of the Italian Civil Code.

Board of Statutory Auditors: The Board of Statutory Auditors was appointed with the task of monitoring the operation, effectiveness and compliance of the "Organisation, management and control model pursuant to Italian Legislative Decree 231/2001", as well as of proposing its update. The Board of Statutory Auditors currently consist in the Director Caterina Bima (acting as Chairperson), the Statutory Auditor Piera Braja and the Company Director Roberto Sanino.

Remuneration Policy: the Remuneration policy approved by the Company described in Section I of this Report.

¹ Available at <http://www.astm.it/procedure-e-documenti/> under the "Governance\Procedures and documents" section.

Issuers' Regulation: the Regulation issued by Consob with resolution no. 11971 of 14 May 1999, about Issuers, with subsequent amendments and additions.

Related Parties Regulation: the Regulation issued by Consob with resolution no. 17221 of 12 May 2010, about transactions with related parties and subsequent amendments and additions.

Report: this remuneration report drafted pursuant to Articles 123-*ter* of TUF and Article 84-*quater* of the Issuers' Regulation.

TUF: The Italian Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance).

Net profit: the profit generated after paying relevant taxes.

INTRODUCTION

The remuneration of directors and, in particular, of those amongst them who hold executive offices, is a key incentive and control tool to ensure the integrity and effectiveness of corporate governance mechanisms. By drafting the annual Remuneration Report (hereinafter, for brevity's sake, also the "Report"), ASTM intends to increase the Shareholders' involvement in the definition of remuneration policies and increase its transparency on the contents of such policies and their actual implementation, also enabling investors to access information on the current incentive system, allowing for a more accurate valuation of the Company and facilitating the exercise of the rights of the aforementioned Shareholders on an informed basis.

This Report, prepared pursuant to Article 123-ter of TUF and Article 84-quater of the Issuers' Regulation to detail the Company's Remuneration Policy, was drafted pursuant to Annex 3A, Schedule 7-bis and Schedule 7-ter of the Issuers' Regulation and was approved by ASTM 's Board of Directors on 29 March 2017, with the favourable opinion of the Remuneration Committee and after consulting the Board of Statutory Auditors.

Through the definition of the Remuneration Policy, ASTM identifies the principles and guidelines that enable it to establish the policy and monitor its implementation throughout the Group, with respect to the members of the Board of Directors, the Board of Statutory Auditors, the General Manager and the Managers with Strategic Responsibilities, also providing visibility on the choices made as part of any new compensation schemes that may be adopted.

The Remuneration Report consists of the following sections:

- i. Section I, detailing the Policy developed by the Company for the remuneration of the members of the Board of Directors, the General Manager and the Managers with strategic responsibilities and the procedures used for the adoption and implementation of such policy;
- ii. Section II, detailing individual fees for Directors, Statutory Auditors and the Company's General Manager and, on an aggregate basis, the fees for ASTM's Managers with strategic responsibilities:
 - a) it provides information for each of the items of which remuneration consists;
 - b) it details fees paid by ASTM and its subsidiaries and affiliates during the year to the members of the Board of Directors and of the Board of Statutory Auditors.

Consequently, considering that, in compliance with the provisions of Article 123-ter of TUF, the Shareholders' Meeting convened to approve the 2016 Financial Statements shall be asked to vote on "Section I" of this Report, we propose that you should vote in favour

of the aforementioned "Section I", adopting the resolution detailed at the end of this Report.

Such resolution is "non-binding", but the "result of the vote is published". This regulation is aimed at providing full and timely disclosure to the market on the remuneration policy and the compensations adopted by the Company.

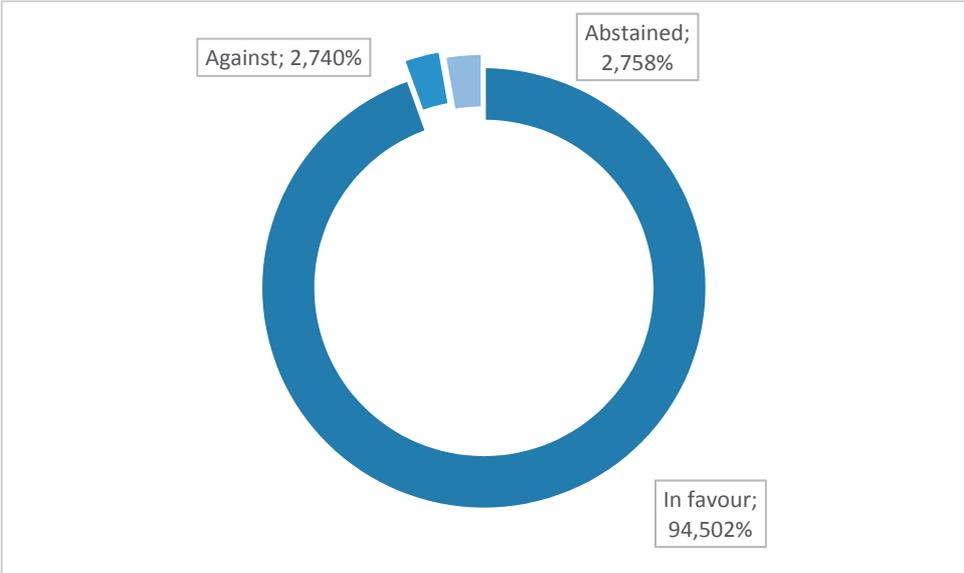
The duties of the Shareholders' Meeting pursuant to the Articles of Association with respect to the issues treated by this Report are reported below for the sake of completeness:

- appointing and revoking Directors,
- appointing Statutory Auditors and the Chairperson of the Board of Statutory Auditors;
- establishing Directors' and Statutory Auditors' fees;
- expressing an opinion on the aforementioned Report.

With respect to this last task, we would like to refer to the result of the Shareholders' Meetings' vote on Section I of the 2016 Remuneration Report (28 April 2016).

The proposal was approved by the majority with:

- votes in favour: no. 61,995,077, equal to 94.502% of voters;
- votes against: no. 1,797,518, equal to 2.740% of voters;
- votes abstained: no. 1,809,488, equal to 2.758% of voters



In compliance with the provisions of Article 84-*quater*, paragraph 4, of the Issuers' Regulation, the Report also details the Directors' and Statutory Auditors' equity interests in ASTM and its subsidiaries, as well as those of spouses not legally separated and underage children, whether they are held directly or through subsidiaries, trusts or agents.

This Remuneration Report is available to the public at the Company's corporate offices in Corso Regina Margherita no. 165, Turin, as well as on the Company's website (www.astm.it) and the authorised storage platform.

As described in greater detail below, in light of major recent changes in the Company's and Group's strategy, and of business development initiatives including those in international markets, as well as of the recommendations made by the Shareholders' during the Ordinary Shareholders' Meeting of 28 April 2016, the Company started a project aimed at introducing a management incentive system aimed at promoting the achievement of increasingly strong results and creating a virtuous link between compensation and business performance.

In particular, (i) an annual incentive system was introduced whereby beneficiaries receive a monetary bonus against the achievement of set economic/financial and project/strategic objectives and (ii) a technical study aimed at the adoption of medium to long-term incentives linked to multi-year objectives was started, with a view to implementation from the next financial year.

The introduction of such systems and the subsequent general review of remuneration policies, therefore, has the objective of aligning the Group's compensation models with the growing need to compete on new markets and increasingly link remuneration to medium/long-term corporate results.

The new approach to remuneration policies, in any case, is consistent with choices made in the past, and is a natural evolution of previously adopted policies.

REFERENCE STANDARDS

This document is drafted pursuant to Article 123-*ter* of Italian Legislative Decree no. 58 of 24 February 1998 (the "Consolidated Law on Finance" or "TUF"), which provides that "at least twenty-one days before the date of the Shareholders' Meeting [...] listed companies must provide to the public a remuneration report, at the corporate offices, on their website and in accordance with the other methods established by Consob with the regulation."

The Remuneration Report, moreover, was drafted in compliance with the provisions of Resolution no. 18049 of 23 December 2011 (CONSOB), amending Article 84-*quater* of the Issuers' Regulation issued by CONSOB itself in implementation of the aforementioned TUF.

Article 123-*ter*, paragraph 6, of TUF, states that "the Shareholders' Meeting [...] resolves in favour or against the Remuneration Report provided for by paragraph 3" (i.e. on Section I of this document).

Such resolution is "non-binding", but the "result of the vote is published". This regulation is aimed at providing full and timely disclosure to the market on the remuneration policy and the compensations adopted by the Company.

When defining the Remuneration Policy detailed in this document, moreover, the principles and the implementation criteria identified by Article 6 of the Corporate Governance Code, as amended on July 2015, issued by the Italian Stock Exchange, adopted by the Company, were also taken into account.

SECTION I - REMUNERATION POLICY

1. PROCEDURES FOR POLICY ADOPTION AND IMPLEMENTATION

1.1 Bodies or individuals involved in the preparation, approval and implementation of the remuneration policy

Without prejudice to the Shareholders' Meeting's power to set the annual compensation of Directors, the definition of the Remuneration Policy for directors with specific offices, of general managers and any managers with strategic responsibilities falls within the remit of the Board of Directors, which determines it upon proposal of the Remuneration Committee and with the contribution of the human resources, risk management and compliance departments, each for their area of expertise, also after consulting the opinion of the Board of Statutory Auditors and, where applicable - pursuant to the procedure for transactions with related parties adopted by the Company, in compliance with the Related Parties Regulation - the opinion of the Risk and Control Committee.

Specifically, the remit includes:

Individual to be remunerated	Decision-making body	Proposal-making body
Directors	Shareholders' Meeting	
Executive Directors	Board of Directors	Remuneration Committee

The Company's Remuneration Policy is subject to an advisory vote by the Shareholders' Meeting convened pursuant to Article 2364 of the Italian Civil Code on an annual basis. The Remuneration Committee is responsible for the correct implementation of the Remuneration Policy.

1.2 Role and composition of the Remuneration Committee

The Remuneration Committee consists exclusively of non-executive and independent directors (with reference to the principles of both the Corporate Governance Code and Article 148, paragraph 3 of TUF, as referred to in Article 147-ter, paragraph 4, of TUF), Marco Weigmann (acting as Chairperson), Anna Chiara Svelto and Barbara Poggiali (all with adequate knowledge and experience in financial and retribution policy matters).

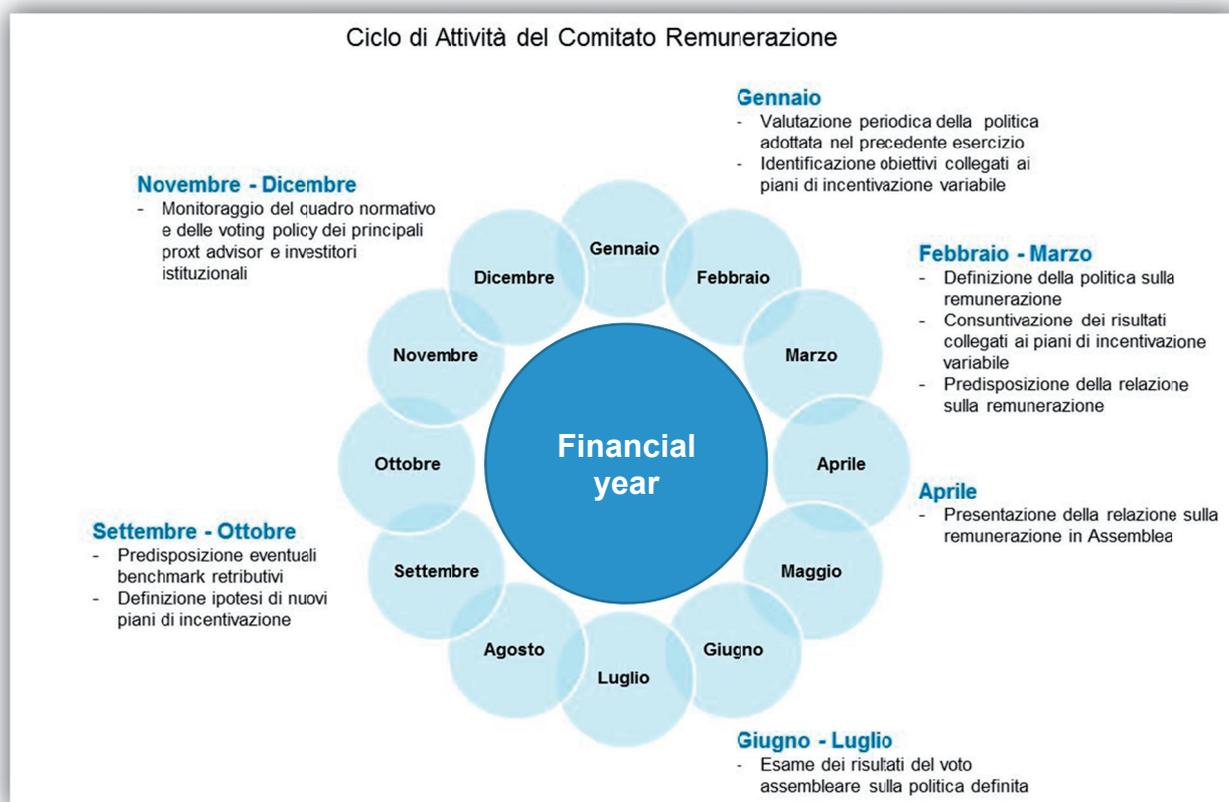
The Remuneration Committee has the power to i) submit to the Board of Directors proposals on the remuneration policy for directors and managers with strategic responsibilities (if any), ii) periodically assess the suitability, overall consistency and actual implementation of the remuneration policy for directors and managers with strategic

responsibilities (if any), using, to this end, the information provided by the Chief Executive Officer and submit to the Board of Directors proposals on this issue, iii) submit proposals or opinions to the Board of Directors about the remuneration of executive directors and other directors who hold specific offices, as well as about setting performance targets linked to the variable component of such remuneration, iv) monitor the implementation of the decisions adopted by the aforementioned Board, verifying, in particular, the actual achievement of performance objectives.

The Remuneration Committee meets with the frequency required to fulfil its functions and is validly convened in presence of at least the majority of its acting members. In particular, the activities of the Remuneration Committee are expected to take place in implementation of a yearly plan that entails the following stages:

- assessment of the suitability, consistency and actual implementation of the Policy implemented in the previous financial year;
- definition of proposals for the policy for the following financial year and performance targets linked to incentive plans;
- preparation of the Remuneration Report to be submitted to the Shareholders' Meeting, subject to prior approval by the Board of Directors;
- analysis of the outcome of the vote expressed by the Shareholders' Assembly on the Policy approved by the Board.

By way of example, the activities of the committee as part of the to the annual meetings' schedule were as follows:



During 2016 and the first months of 2017, the Remuneration Committee, *inter alia*:

- submitted to the Board of Directors remuneration proposals for the Company's executive directors, as well as proposals for the definition of a short and medium-term variable incentive system linked to performance objectives;
- submitted to the Board the Remuneration Report (describing, *inter alia*, the methods for exercising the Committee's functions), to be presented to the Shareholders' Meeting;
- periodically monitored and verified the correct implementation of the remuneration policy adopted.

No directly affected director took part in the meetings of the Committee during which proposals for his/her remuneration were submitted to the Board of Directors. The Chairperson of the Board of Statutory Auditors and at least one of the Statutory Auditors attended the Committee's meetings.

The Committee was able to access any information and corporate functions required to adequately perform its duties. Therefore, given that the Committee used the Company's resources, means and units, it was not allocated dedicated resources.

For more detailed information on the composition of the Remuneration Committee in 2016 and on its meetings during this period, please see the content of the 2016 Corporate Governance Report published at the same time as this Report.

In 2017 and up to the date of the approval of this Report the Committee held various meetings, dedicated, *inter alia*, to periodically assessing the remuneration policies implemented in 2016 in order to finalise Policy proposal for 2017, as well as to analysing this Report for its subsequent approval by the Board of Directors.

1.3 Any independent expert input

In order to define the remuneration policy, market practice and remuneration levels were analysed, as provided by external experts in aggregate format and without specific reference to other companies. In order to draft this remuneration policy, the Company relied on the support of the independent expert Willis Towers Watson.

2. REMUNERATION POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS, GENERAL MANAGERS AND MANAGERS WITH STRATEGIC RESPONSIBILITIES

2.1 Aims of the remuneration policy and any changes compared to the previous financial year

The Remuneration Policy formulated by ASTM aims at:

- establishing remuneration levels that can:
 - (i) recognise the managerial abilities of the individuals involved and their contribution to corporate growth with respect to their competencies and functions
 - (iii) attract, retain and motivate individuals with suitable professional profiles and capabilities for the Company;
- aligning the interests of executive directors with the main objective of medium to long-term value creation for investors.
- ensure the link between managers' remuneration and actual Company annual results;
- promoting long-term sustainability, with a specific focus on the interest of all corporate stakeholders.

As anticipated in the Introduction, during 2016 the Company started a project aimed at introducing a management incentive system aimed at promoting the achievement of increasingly strong results and creating a virtuous link between compensation and business performance..

2.2 Description of policies on fixed and variable remuneration components

The introduction of a management incentive system entailed a complete review of the Company's remuneration strategy.

The key remuneration elements considered when defining the current ASTM Remuneration Policy are:

- fixed remuneration;
- annual management incentive system;
- benefits.

The approach to overall retribution entails a balanced package of fixed and variable elements, both monetary and non-monetary, that considers the Company's strategic objectives and risk profile with respect to the industry sector in which the Company operates and the characteristics of the activity performed.

As a result, when fully implemented, the management incentive system shall also provide for (i) long-term variable remuneration linked to the achievement of specific corporate performance parameters and (ii) priorly set and determined objectives, which shall also be linked to corporate objective setting.

In light of major recent changes in the Company's and Group's strategy, and of business development initiatives deployed also on foreign markets and markets with interesting growth opportunities, as well as of requests made by investors, the Remuneration Committee, apart from providing for an annual Incentive Scheme, proposed the adoption (possibly also in 2017) - with relevant implementation starting from subsequent years - of long-term incentive plans linked to multi-year objectives aimed at promoting the achievement of long-term qualitative and quantitative results resulting in value generation and sustainable growth, in line with shareholders' interests and in compliance with stakeholders' interests, as well as at retaining key employees of the Company (so-called "retention"), based on cash, equity or equity-based instruments.

The Board of Directors unanimously agreed, with the support of the Remuneration Committee, to initiate a technical study aimed at defining this measure.

2.3 Policy followed for the fixed component of remuneration and consistency of the Company's long-term interests with the risk management policy

The fixed component is commensurate with the responsibilities and competencies linked to the office held by the person in question.

To this end, ASTM's Remuneration Policy entails the use of a position assessment process whereby each role is allocated a monetary value that is representative of the complexity of the position and that enables comparison between the remuneration level of the position in question and market compensation for positions with the same level of complexity (external consistency), as well as the assessment of the balance between role complexity and relevant remuneration level within the Company (internal consistency).

Any fees payable to the Chief Executive Officer as member of administrative body of another Group Company are reversible to ASTM.

The amount of fixed remuneration allocated to each Director and Manager with strategic responsibilities (if any) is reviewed on an annual basis, using the criteria and the methods detailed.

2.4 Variable Remuneration

The ASTM annual incentive scheme provides for beneficiaries a monetary bonus for the achievement of set economic/financial and project objectives linked to the Company's strategic priority.

The scheme's main aims are:

- guiding management activities towards the achievement of priority and strategic

objectives with a significant impact on corporate business;

- introducing a variable remuneration component, linking it to the performance achieved, in line with corporate performance;
- developing a management culture based on target-oriented performance: planning, management, monitoring and assessment.

The performance period, meant as the time period for which the achievement of scheme-linked objectives is assessed, is the solar year (1 January to 31 December).

For each beneficiary, the review of individual targets, required to determine the incentive due and its payment, shall take place, unless otherwise provided by the Company, downstream of the approval of the Consolidated Financial Statements by the Company.

As part of the scheme, each target is conceived as a set of results that need to be achieved.

In order to act as an effective performance incentive, each target must be

- defined in a clear, univocal manner;
- measured through objective indicators;
- ambitious and challenging, but still deemed as achievable;
- directly linked to the Company's medium to long-term strategy;
- defined as part of a set time horizon.

The scheme provides that each of the Company's Executive Directors and Managers with strategic responsibilities (if any) must be assigned:

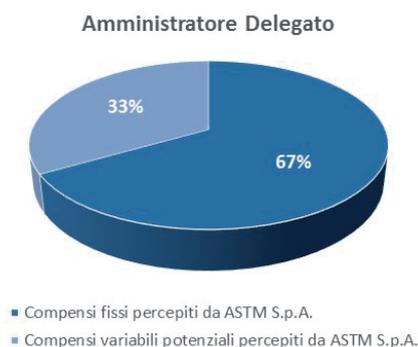
- ASTM's Economic/Financial Objectives:
 - Adjusted consolidated EBITDA (net of non-recurrent components)
 - Adjusted Net Consolidated Profit (net of non-recurrent components)
- Project and strategic objectives

In compliance with recommendations of Article 6 of the Corporate Governance Code, payment of annual variable remuneration is subject and linked to a so-called claw-back (repayment) mechanism.

If, at a later time, but within 3 years from payment of the bonus, the Company's Board of Directors should ascertain that the level of achievement of performance objectives that resulted in the accrual of the aforementioned bonus was calculated on the basis of incorrect or falsified data and the difference between the data used and those rectified was such so as to result, if known at the time, in the non-accrual of the bonus or part thereof, the Board of Directors shall be entitled to ask the beneficiaries, who assume such obligation, to repay an amount up to the entire bonus paid.

Compensation Mix

With the introduction of a variable element, the compensation mix of the potential remuneration of the Chief Executive is better balanced in its components, as detailed below:



2.5 Non-monetary benefits

ASTM Remuneration Policy does not contemplate the payment of non-monetary benefits, with the exception of any fringe benefits currently envisaged in the remuneration practice and, in any case, consistent with the office/position held (use of corporate cars and employee and family health insurance cover).

2.6 Payment in the event of termination of office or termination of the employment relationship

On the date of this Report, no agreements with Directors are in place that provide for indemnities in the event of resignation, termination, dismissal without just cause or termination of the employment relationship following a takeover bid.

As a rule, the Company does not enter into agreements that regulate *ex ante* the early termination of the employment relationship by either the Company or the individual, without prejudice, in any case, to legal and National Collective Bargaining Agreements' obligations.

Moreover, it should be noted that, on the date of this Report, ASTM has not entered into any non-competition agreements with its Directors that entail the payment of a sum in relation to the obligation arising from the aforementioned agreement.

2.7 Information on the presence of any insurance or social security and pension cover other than statutory ones

The Company has not arranged any insurance, or social security or pension cover other than statutory ones.

For the sake of completeness, it should be noted that, within the Group, a D&O - Directors' & Officers' Liability cover is in place for events linked to the performance of Directors' and Officers' duties, except in cases of wrongful misconduct.

2.8 Remuneration policy followed for: (i) independent directors, (ii) participation in committees and (iii) performance of specific duties

Pursuant to the current Remuneration Policy, the Shareholders' Meeting resolved on the annual compensation for the members of the Board of Directors, which shall apply until otherwise decided by the Meeting.

The members of the Board of Directors are entitled to the reimbursement of the expenses incurred as a result of their office.

No other compensation that differs from that of other members of the Board of Directors is envisaged for independent directors.

Compensation for the members of the Board of Statutory Auditors and the Risk and Control Committee was established, upon proposal of the Remuneration Committee, by the Board of Directors, after consulting Board of Statutory Auditors.

Compensation for the Remuneration Committee was approved by the Board of Directors, after consulting the Board of Statutory Auditors, given that the Remuneration Committee had deemed not to submit any direct proposal on the matter.

The current remuneration policy provides for a fixed annual compensation, apart from the payment of an attendance fee, for the Supervisory Body and the aforementioned Committees.

In particular, in accordance with the resolutions of the competent bodies, the remuneration of the members of the Board of Directors is detailed below.

Directors that do not hold specific offices.

For Directors that do not hold specific offices ASTM 's remuneration policy provides only for fixed remuneration and does not entail neither variable remuneration linked to the achievement of specific performance targets, nor the allocation of shares, option, other financial instruments or other variable remuneration components.

As part of the process for the definition and management of the aforementioned policy, "remuneration" means any type of payment of benefit directly or indirectly paid in cash, financial instruments or contribution in kind (fringe benefits) in exchange for work performance or the provision of professional services.

As a result of the resolutions of the Shareholders' Meeting on 28 April 2016, the gross annual fee for each Director is EUR 30,000.00.

To this compensation must be added EUR 1,000.00 as attendance fee for each meeting of the Board of Directors or EUR 500.00 for remote attendance via telephone or video conference, apart from the reimbursement of any attendance expenses.

In addition to the above, on 11 May 2016, the Board of Directors, after the favourable opinion of the Board of Statutory Auditors, approved the payment of the following fees to the members of the Remuneration and Risk and Control Committee²:

- EUR 9,000.00 gross per year for the Chairperson;
- EUR 6,000.00 for each of the members of the aforementioned Committees;
- EUR 1,000.00 as attendance fee for each meeting or EUR 500.00 for remote attendance via telephone or video conference, apart from the reimbursement of any attendance expenses.

Also on 11 May 2016, the Board of Directors, upon proposal of the Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors, approved the payment of EUR 9,000.00 gross per year to the "Director responsible for the internal control and risk management system".

As referred to above, when setting such remuneration, the Board of Directors considered the implementation criteria pursuant to Article 6.C.4. of the Corporate Governance Code. Therefore, such compensation does not include a variable component linked to the economic performance of the Company and the Group. The remuneration, however, is deemed sufficient to attract, retain and motivate Board Members equipped with the professional characteristics required to successfully manage the Company.

Non-executive directors are not the beneficiaries of share-based incentive plans (Implementation criterion 6.C.4).

Directors that do not hold specific offices.

The remuneration of Directors who hold specific offices consists of the following elements:

- For the **Chairperson**:
 - a fixed remuneration as Member of the Board of Directors (equal to EUR 30,000.00);
 - a fixed remuneration of EUR 300,000.00 gross per year, apart from the gross fixed remuneration envisaged for each Board Member approved by the Shareholders' Ordinary Meeting on 28 April 2016;

² Compensation for the members of the Risk and Control Committee was approved upon proposal of the Remuneration Committee

- EUR 1,000.00 as attendance fee for each meeting of the Board of Directors or EUR 500.00 for remote attendance via telephone or video conference, apart from the reimbursement of any attendance expenses.
- For the **Deputy Chairpersons**:
 - a fixed remuneration as Member of the Board of Directors (equal to EUR 30,000.00);
 - a fixed remuneration of EUR 100,000.00 gross per year apart from the gross fixed fee for each Member approved by the Board of Directors on 11 May 2016, upon proposal of the Remuneration Committee and after favourable opinion of the Board of Statutory Auditors;
 - EUR 1,000.00 as attendance fee for each meeting of the Board of Directors or EUR 500.00 for remote attendance via telephone or video conference, apart from the reimbursement of any attendance expenses.
- For the **Chief Executive Officer**:
 - a fixed remuneration as Member of the Board of Directors (equal to EUR 30,000.00);
 - EUR 1,000.00 as attendance fee for each meeting of the Board of Directors or EUR 500.00 for remote attendance via telephone or video conference, apart from the reimbursement of any attendance expenses;
 - a salary of EUR 800,000.00 gross per year approved by the Board of Directors on 11 May 2016 upon proposal of the Remuneration Committee, with the favourable opinion of the Board of Statutory Auditors.

For the sake of completeness, please find below also the remuneration of the members of the **Control Body**, which, on the date of this report, consisted of:

- Chairperson: Marco Fazzini
- Standing Auditors: Piera Braja and Ernesto Ramojno
- Substitute Auditors: Massimo Berni, Roberto Coda, Annalisa Donesana.

On 28 April 2016, the Shareholders' Meeting approved the payment of the following gross annual remuneration for the Control Body:

- EUR 39,000.00 for the Chairperson
- EUR 26,000.00 for each Statutory Auditor
- EUR 1,000.00 for attending in person each meeting of the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors
- EUR 500.00 for remote attendance (via telephone or video conference) to each meeting of the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors.

as well as VAT, if applicable, legal national insurance charges and reimbursement of travel expenses.

2.9 Reference to other companies' remuneration policies

In order to define its Remuneration Policy, ASTM has not referred to the remuneration policies of other companies.

SECTION II - FEES PAID IN 2016 TO THE MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS AND TO THE GENERAL MANAGER

This section of the Report details the fees pertaining to the financial year 2016 for the members of the Board of Directors and the Board of Statutory Auditors.

PART I - ITEMS THAT MAKE UP THE REMUNERATION

This part of Section II provides suitable information about each item that makes up the remuneration of the members of the Board of Directors and the Board of Statutory Auditors for the financial year 2016.

Such items are detailed in the tables in Part II of this Section.

The fees paid for the financial year 2016 to the members of the Board of Directors and the Board of Statutory Auditors are in line with the Company's remuneration policy approved by ASTM's Shareholders' Meeting on 28 April 2016.

a) COMPENSATION FOR THE MEMBERS OF THE BOARD OF DIRECTORS IN OFFICE SINCE 28 APRIL 2016, AFTER THE RENEWAL OF THE MANAGEMENT BODY ⁽³⁾

a1 compensation approved by the Ordinary Shareholders' Meeting on 28 April 2016

- EUR 30,000.00 gross per year for each Member;
- EUR 300,000.00 gross per year for the Chairperson of the Board of Directors, over and above the gross fee provided for each Director;
- EUR 1,000.00 as attendance fee for each meeting of the Board of Directors and EUR 500.00 for remote attendance via telephone or video conference to each Meeting of the Board of Directors, apart from the reimbursement of any attendance expenses;

a2 compensation approved by the Board of Directors on 11 May 2016, upon proposal of the Remuneration Committee, with favourable opinion of the Risk and Control Committee (with respect to the fee for the Chief Executive Officer) and of the Board of Statutory Auditors

- EUR 100,000.00 gross per year to each of the two Deputy Chairpersons;
- EUR 800,000.00 gross per year for the Chief Executive Officer, Alberto Rubegni;
- EUR 9,000.00 gross per year for the "Director responsible for the internal audit and risk management system";
- EUR 9,000.00 gross per year for the Chairperson of the Risk and Control Committee and the Supervisory Body and EUR 6,000.00 for each of the remaining members, as well as (i) EUR 1,000.00 as attendance fee for each meeting or EUR 500.00 for each

⁽³⁾ With respect to compensation for the members of the Board of Directors in office up to 28 April 2016, see the relevant paragraph of the "Remuneration Report" published on 6 April 2016.

remote attendance via telephone or video conference, over and above (ii) any reimbursement of expenses.

a₃ compensation approved by the Board of Directors on 11 May 2016, with favourable opinion of the Board of Statutory Auditors

- EUR 9,000.00 gross per year for the Chairperson of the Remuneration Committee and EUR 6,000.00 for each of the remaining members, as well as (i) EUR 1,000.00 as attendance fee for each meeting or EUR 500.00 for each remote attendance via telephone or video conference, in addition to (ii) any reimbursement of expenses;

ASTM has not entered into any agreements with its directors that provide for indemnities in the event of early termination of the employment relationship. Moreover, it should be noted that, on the date of this Report, ASTM has not entered into any non-competition agreements with its Directors that entail the payment of a sum in relation to the obligation arising from the aforementioned agreement.

b) COMPENSATION FOR THE MEMBERS OF THE BOARD OF STATUTORY AUDITORS

b1 compensation approved by the Ordinary Shareholders' Meeting on 22 April 2014

- EUR 39,000.00 for the Chairperson
- EUR 26,000.00 for each Statutory Auditor
- EUR 1,000.00 for attending in person each meeting of the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors
- EUR 500.00 for remote attendance (via telephone or video conference) to each meeting of the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors

d) COMPENSATION FOR ANY OTHER MANAGERS WITH STRATEGIC RESPONSIBILITIES

In light of the current corporate governance structure, ASTM has not identified any manager with strategic responsibilities other than the General Manager, as all decisions with strategic implications are made by the Chief Executive and the General Manager, without prejudice to the remit of the Board of Directors.

PART II - TABLES

As required by Article 123-ter of TUF, detailed information is provided on the fees paid to the members of the management and control bodies, including those of subsidiaries and associates.

Table 1												
Fees paid to the members of the management and control bodies, General Managers and other managers with strategic responsibilities												
A	B	C	D	1	2	3		4	5	6	7	8
Name and Surname	Office	Period during which the office was held	End of term in office	Fixed remuneration	Fees for committee participation	Variable, non-equity based compensation		Non-monetary benefits	Other compensation	Total	Fair Value of equity compensation	Severance indemnity for end of office or employment termination
						Bonus and other incentives	Profit share					
Gian Maria Gros-Pietro	Chairman of the Board of Directors	01/01/2016 - 31/12/2016	Shareholders' Assembly for the approval of the 2016 Financial Statements									
(I) Fees for the company that prepares the Financial Statements				€ 30,000 (1)						€ 30,000		
(II) Compensation from subsidiaries and associates				€ 300,000 (2)						€ 300,000		
(III) Total				€ 10,500 (3)						€ 10,500		
(III) Total				€ 340,500						€ 340,500		
Daniela Gavio	Vice Chairperson of the Board of Directors	01/01/2016 - 31/12/2016	Shareholders' Assembly for the approval of the 2016 Financial Statements									
(I) Fees for the company that prepares the Financial Statements				€ 30,000 (1)						€ 30,000		
(II) Compensation from subsidiaries and associates				€ 100,000 (2)						€ 100,000		
(III) Total				€ 9,000 (3)						€ 9,000		
(III) Total				€ 765,966 (4)						€ 765,966		
(III) Total				€ 904,966						€ 904,966		
Marcello Gavio	Vice Chairperson of the Board of Directors	01/01/2016 - 31/12/2016	Shareholders' Assembly for the approval of the 2016 Financial Statements									
(I) Fees for the company that prepares the Financial Statements				€ 30,000 (1)						€ 30,000		
(II) Compensation from subsidiaries and associates				€ 100,000 (2)						€ 100,000		
(III) Total				€ 10,000 (3)						€ 10,000		
(III) Total				€ 345,827 (5)						€ 345,827		
(III) Total				€ 485,827						€ 485,827		
Alberto Rubegni	Managing Director	01/01/2016 - 31/12/2016	Shareholders' Assembly for the approval of the 2016 Financial Statements									
(I) Fees for the company that prepares the Financial Statements				€ 30,000 (1)						€ 30,000		
(II) Compensation from subsidiaries and associates				€ 703,279 (2)						€ 703,279		
(III) Total				€ 11,000 (3)						€ 11,000		
(III) Total				€ 227,704 (6)						€ 227,704		
(III) Total				€ 971,983						€ 971,983		
Stefano Viviano	Executive Director	01/01/2016 - 31/12/2016	Shareholders' Assembly for the approval of the 2016 Financial Statements									
(I) Fees for the company that prepares the Financial Statements				€ 30,000 (1)						€ 30,000		
(II) Compensation from subsidiaries and associates				€ 11,000 (3)						€ 11,000		
(III) Total				€ 6,098 (7)						€ 6,098		
(III) Total				€ 51,389 (8)						€ 51,389		
(III) Total				€ 98,486						€ 98,486		
Stefania Barriati	Independent Director	01/01/2016 - 31/12/2016	Shareholders' Assembly for the approval of the 2016 Financial Statements									
(I) Fees for the company that prepares the Financial Statements				€ 30,000 (1)						€ 30,000		
(II) Compensation from subsidiaries and associates				€ 8,000 (3)						€ 8,000		
(III) Total				€ 288,000 (9)						€ 288,000		
(III) Total				€ 326,000						€ 326,000		
Caterina Bima	Independent Director	01/01/2016 - 31/12/2016	Shareholders' Assembly for the approval of the 2016 Financial Statements									
(I) Fees for the company that prepares the Financial Statements				€ 30,000 (1)						€ 30,000		
(II) Compensation from subsidiaries and associates				€ 9,500 (3)	€ 14,549 (10)					€ 24,049		
(III) Total				€ 39,500	€ 14,549					€ 54,049		
(III) Total				€ 39,500	€ 14,549					€ 54,049		
Marco Antonio Cassou	Independent Director	28/04/2016 - 31/12/2016	Shareholders' Assembly for the approval of the 2016 Financial Statements									
(I) Fees for the company that prepares the Financial Statements				€ 20,328 (1)						€ 20,328		
(II) Compensation from subsidiaries and associates				€ 3,000 (3)						€ 3,000		
(III) Total				€ 77,754 (11)						€ 77,754		
(III) Total				€ 101,082						€ 101,082		
Giuseppe Garofano	Independent Director	01/01/2016 - 31/12/2016	Shareholders' Assembly for the approval of the 2016 Financial Statements									
(I) Fees for the company that prepares the Financial Statements				€ 30,000 (1)	€ 20,533 (12)					€ 50,533		
(II) Compensation from subsidiaries and associates				€ 11,000 (3)						€ 11,000		
(III) Total				€ 41,000	€ 20,533					€ 61,533		
(III) Total				€ 41,000	€ 20,533					€ 61,533		
Giuseppe Gatto	Independent Director	28/04/2016 - 31/12/2016	Shareholders' Assembly for the approval of the 2016 Financial Statements									
(I) Fees for the company that prepares the Financial Statements				€ 20,328 (1)	€ 8,066 (12)					€ 28,394		
(II) Compensation from subsidiaries and associates				€ 6,000 (3)						€ 6,000		
(III) Total				€ 5,000 (13)						€ 5,000		
(III) Total				€ 31,328	€ 8,066					€ 39,394		
(III) Total				€ 31,328	€ 8,066					€ 39,394		
Beniamino Gavio	Independent Director	28/04/2016 - 31/12/2016	Shareholders' Assembly for the approval of the 2016 Financial Statements									
(I) Fees for the company that prepares the Financial Statements				€ 20,328 (1)						€ 20,328		
(II) Compensation from subsidiaries and associates				€ 5,000 (3)						€ 5,000		
(III) Total				€ 92,434 (14)						€ 92,434		
(III) Total				€ 118,262						€ 118,262		
Barbara Poggiali	Independent Director	01/01/2016 - 31/12/2016	Shareholders' Assembly for the approval of the 2016 Financial Statements									
(I) Fees for the company that prepares the Financial Statements				€ 30,000 (1)	€ 11,016 (15)					€ 41,016		
(II) Compensation from subsidiaries and associates				€ 6,000 (3)						€ 6,000		
(III) Total				€ 36,000	€ 11,016					€ 47,016		
(III) Total				€ 36,000	€ 11,016					€ 47,016		
Luigi Piergiuseppe Roth	Independent Director	01/01/2016 - 31/12/2016	Shareholders' Assembly for the approval of the 2016 Financial Statements									
(I) Fees for the company that prepares the Financial Statements				€ 30,000 (1)	€ 11,516 (15)					€ 41,516		
(II) Compensation from subsidiaries and associates				€ 9,500 (3)						€ 9,500		
(III) Total				€ 39,500	€ 11,516					€ 51,016		
(III) Total				€ 39,500	€ 11,516					€ 51,016		
Anna Chiara Svelto	Independent Director	01/01/2016 - 31/12/2016	Shareholders' Assembly for the approval of the 2016 Financial Statements									
(I) Fees for the company that prepares the Financial Statements				€ 20,328 (1)	€ 5,566 (16)					€ 25,894		
(II) Compensation from subsidiaries and associates				€ 5,000 (3)						€ 5,000		
(III) Total				€ 25,328	€ 5,566					€ 30,894		
(III) Total				€ 25,328	€ 5,566					€ 30,894		
Marco Weigmann	Independent Director	01/01/2016 - 31/12/2016	Shareholders' Assembly for the approval of the 2016 Financial Statements									
(I) Fees for the company that prepares the Financial Statements				€ 30,000 (1)	€ 14,000 (16)					€ 44,000		
(II) Compensation from subsidiaries and associates				€ 9,500 (3)						€ 9,500		
(III) Total				€ 39,500	€ 14,000					€ 53,500		
(III) Total				€ 39,500	€ 14,000					€ 53,500		
Luigi Bomasi	Independent Director	01/01/2013 - 28/04/2016										
(I) Fees for the company that prepares the Financial Statements				€ 9,754 (1)						€ 9,754		
(II) Compensation from subsidiaries and associates				€ 5,000 (3)						€ 5,000		
(III) Total				€ 2,926 (7)						€ 2,926		
(III) Total				€ 35,500 (17)						€ 35,500		
(III) Total				€ 53,180						€ 53,180		
Pierluigi Davide	Independent Director	28/08/2015 - 03/02/2016										
(I) Fees for the company that prepares the Financial Statements				€ 2,787 (1)						€ 2,787		
(II) Compensation from subsidiaries and associates				€ 1,000 (3)						€ 1,000		
(III) Total				€ 3,787						€ 3,787		
(III) Total				€ 3,787						€ 3,787		
Flavio Dezzani	Independent Director	01/01/2013 - 28/04/2016										
(I) Fees for the company that prepares the Financial Statements				€ 9,754 (1)	€ 10,926 (12)					€ 20,680		
(II) Compensation from subsidiaries and associates				€ 4,000 (3)						€ 4,000		
(III) Total				€ 13,754	€ 10,926					€ 24,680		
(III) Total				€ 13,754	€ 10,926					€ 24,680		
Cesare Ferrero	Independent Director	01/01/2013 - 28/04/2016										
(I) Fees for the company that prepares the Financial Statements				€ 9,754 (1)	€ 3,426 (18)					€ 13,180		
(II) Compensation from subsidiaries and associates				€ 2,000 (3)						€ 2,000		
(III) Total				€ 11,754	€ 3,426					€ 15,180		
(III) Total				€ 11,754	€ 3,426					€ 15,180		

Fees paid to the members of the management and control bodies, General Managers and other managers with strategic responsibilities												
A	B	C	D	1	2	3		4	5	6	7	8
Name and Surname	Office	Period during which the office was held	End of term in office	Fixed remuneration	Fees for committee participation	Variable, non-equity based compensation		Non-monetary benefits	Other compensation	Total	Fair Value of equity compensation	Severance indemnity for end of office or employment termination
						Bonus and other incentives	Profit share					
Marco Fazzini	Chairman of the Board of Statutory Auditors	01/01/2016 - 31/12/2016	Shareholders' Assembly for the approval of the 2016 Financial Statements									
(I) Fees for the company that prepares the Financial Statements				€ 36.000 ⁽¹⁾	€ 9.000 ⁽¹⁵⁾					€ 48.000		
(II) Compensation from subsidiaries and associates				€ 19.500 ⁽³⁾						€ 19.500		
(III) Total				€ 58.500	€ 9.000	€ -	€ -	€ -	€ -	€ 67.500	€ -	€ -
Piera Braja	Statutory Auditor	01/01/2016 - 31/12/2016	Shareholders' Assembly for the approval of the 2016 Financial Statements									
(I) Fees for the company that prepares the Financial Statements				€ 26.000 ⁽¹⁾	€ 27.500 ⁽²⁰⁾					€ 53.500		
(II) Compensation from subsidiaries and associates				€ 21.000 ⁽³⁾						€ 21.000		
(III) Total				€ 47.000	€ 27.500	€ -	€ -	€ -	€ -	€ 74.500	€ -	€ -
Ernesto Ramojno	Statutory Auditor	01/01/2016 - 31/12/2016	Shareholders' Assembly for the approval of the 2016 Financial Statements									
(I) Fees for the company that prepares the Financial Statements				€ 26.000 ⁽¹⁾	€ 13.000 ⁽¹⁵⁾					€ 39.000		
(II) Compensation from subsidiaries and associates				€ 19.000 ⁽³⁾						€ 19.000		
(III) Total				€ 9.084⁽¹⁹⁾	€ 9.084⁽¹⁹⁾	€ -	€ -	€ -	€ -	€ 67.084	€ -	€ -

(1) Fees set by the Shareholders' Meeting pursuant to Article 2389 c 1 of the Italian Civil Code.

(2) Fees set by the Board of Directors pursuant to Article 2389 c 3 of the Italian Civil Code.

(3) Attendance fee for participation in meetings

(4) Compensation as Vice Chairperson of SIAS S.p.A. (EUR 137 thousand), Director and Member of the Executive Committee of SALT S.p.A. (EUR 65 thousand), Director of Autostrade dei Fiori S.p.A. (EUR 19 thousand), Vice Chairperson of SAT AP S.p.A. (EUR 34 thousand), Chairperson of Sinelec S.p.A. (EUR 65 thousand), Director of SAV S.p.A. (EUR 9 thousand) and gross remuneration and fringe benefits as employee of Hiner S.p.A. (EUR 436 thousand).

(5) Compensation as Chairperson of OMT S.p.A. (EUR 5 thousand), Alternate Director of Ecorodovias Infrastruttura e Logistica S.A. (EUR 41 thousand*) and gross remuneration and fringe benefits as employee of ABC Costruzioni S.p.A. - now Hiner S.p.A. - (EUR 300 thousand).

(6) Compensation as Chief Executive Manager of Tangenziali Esterne di Milano S.p.A. (EUR 106 thousand), Director of Tangenziale Esterna S.p.A. Sp.A. (EUR 6 thousand), Director of Autostrade Lombarde S.p.A. (EUR 5 thousand), Director Società di Progetto Brobemi S.p.A. (EUR 21 thousand), Director of Hiner S.p.A. (EUR 5 thousand), Director of SINA S.p.A. (EUR 7 thousand) and Director and member of the Executive Committee of Ecorodovias Infrastruttura e Logistica S.A. (EUR 78 thousand*).

(7) Director responsible for the internal audit and risk management system

(8) Compensation as Director of Autostrada Asti-Cuneo S.p.A. (EUR 10 thousand), Director of Autostrade Torino-Savona S.p.A. (EUR 15 thousand), Director of Tangenziale Esterna S.p.A. (EUR 6 thousand), Chief Executive Officer of IGLI S.p.A. (EUR 12 thousand) and Chairperson of SIAS-Parking S.p.A. (EUR 8 thousand).

(9) Compensation payable as Chairperson of SIAS S.p.A.

(10) Fee as participation in Remuneration Committee and the Surveillance Body

(11) Compensation as Chairperson and member of the Executive Committee of Ecorodovias Infrastruttura e Logistica S.A. (EUR 78 thousand*).

(12) Fee for the participation in the Risk and Control Committee

(13) Compensation payable as Director of SIAS S.p.A.

(14) Compensation as Director of SIAS S.p.A. (EUR 38 thousand) and Director of Ecorodovias Infrastruttura e Logistica S.A. (EUR 54 thousand*).

(15) Fee for the participation in the Risk and Control Committee and the Remuneration Committee

(16) Fee for participation in the Remuneration Committee

(17) Compensation payable as Director of SALT S.p.A. (EUR 10 thousand), Director of Autocamionale della CISAS S.p.A. (EUR 9 thousand), Director of Sinelec S.p.A. (EUR 3 thousand), Secretary of Autostrada Asti-Cuneo S.p.A. (EUR 3 thousand), Auditor of Interporto di Vado (EUR 7 thousand) and Member of the Board of Statutory Auditors of Hiner S.p.A. (EUR 3 thousand).

(18) Fee for participation in the Board of Statutory Auditors

(19) Compensation payable as member of the Board of Statutory Auditors of SITAF S.p.A.

(20) Fee for the participation in the Risk and Control Committee, the Remuneration Committee and the Board of Statutory Auditors

* Amounts converted at the EUR/BRL rate of 31 December 2016: 3.4305

SECTION III – INFORMATION ON EQUITY INTERESTS HELD BY THE MEMBERS OF MANAGEMENT AND CONTROL BODIES

Pursuant to Article 84-*quater* of the Issuers' Regulation, disclosure on the equity interests held by the Management and Control Bodies is provided below^(*)

NAME AND SURNAME	POSITION	COMPANY IN WHICH AN EQUITY INTEREST IS HELD	NUMBER OF SHARES OWNED AT THE END OF THE PREVIOUS FINANCIAL YEAR	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES OWNED AT THE END OF THE CURRENT FINANCIAL YEAR
MARCELLO GAVIO	VICE CHAIR	SATAP S.p.A. (1)	39,157	-	-	39,157
DANIELA GAVIO	VICE CHAIR	SIAS S.p.A. bonds SATAP S.p.A. (2)	5,000 3,255	- -	- -	5,000 3,255
BENIAMINO GAVIO	DIRECTOR <i>in office from</i> 28/04/2016	ASTM S.p.A. SIAS S.p.A. shares SIAS convertible bonds SATAP S.p.A. (2)	5,000 ⁽³⁾ 1,500 ⁽³⁾ 125 ⁽³⁾ 53,283 ⁽³⁾	- - - -	- - - -	5,000 1,500 ⁽⁴⁾ 125 ⁽⁵⁾ 53,283

^(*) All individuals, who during the financial year in question, held the office of member of management and control bodies, also for part of the year, are included.

⁽¹⁾ also owns, in common, one half of no. 51,441 shares of Satap S.p.A.

⁽²⁾ also owns, in common, one third of no. 889 shares of Satap S.p.A.

⁽³⁾ ownership refers to 28 April 2016, the appointment date

⁽⁴⁾ 500 shares are owned by the spouse

⁽⁵⁾ Ownership refers to the spouse

DRAFT RESOLUTION FOR THE SHAREHOLDERS' MEETING

Given that, pursuant to applicable regulations, the Shareholders Meeting is required to express its vote on "Section I" of this Report, we propose that you should vote in favour of the aforementioned "Section I", adopting the following resolution:

"the Shareholders' Meeting,

- *having noted the Remuneration Report prepared by the Board of Directors, in implementation of the provisions of Article 123-ter of TUF and the guidelines contained in Article 84-*quater* of the Issuers' Regulation;*
- *having examined Section I in particular, which details the Policy developed by the Company for the remuneration of the Board of Directors, the General Manager and the Managers with strategic responsibilities and the procedures used for the adoption and implementation of such policy;*

resolves

in favour of "Section I" of the Remuneration Report".

Tortona, 29 March 2017

for the Board of Directors
the Chairperson
(Prof. Gian Maria Gros-Pietro)