

"ANNEX" to the Management Report

REPORT

ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

pursuant to art. 123-bis of the Consolidated Law on Finance

("Traditional" administration and control model)

ASTM S.p.A.

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ANNEX

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GLOSSARY

Code/Code of Conduct: the Code of Conduct of listed companies, as approved in July 2015 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

Cod. civ./ c.c.: the Italian Civil Code.

Board: the Issuer's Board of Directors.

Issuer/Company/ASTM: the issuer of securities referred to in this Report.

Financial Year/year: the financial year referred to in this Report.

Consob Issuer Regulation: the Regulation issued by Consob by Resolution no. 11971 of 1999 (and subsequent amendments) concerning issuers.

Consob Market Regulation: the Regulation issued by Consob by means of Resolution no. 16191 of 2007 (and subsequent amendments) concerning markets.

Consob Related Parties Regulation: the Regulation issued by Consob by means of Resolution no. 17221 of 12 March 2010 (and subsequent amendments) concerning transactions with related parties.

Report: the report on corporate governance and ownership structure that the companies have to prepare pursuant to article 123-bis of the Consolidated Law on Finance.

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

1.0 ISSUER'S PROFILE

The Issuer was incorporated on 28 November 1928, with the aim of building a motorway between Turin and Milan. On 30 November 1929, the Ministerial Agreement for its construction and operation was finally signed.

The motorway was opened on 25 October 1932, after 30 months of work.

The Issuer - that was admitted to listing on the Turin Stock Exchange as from 19 June 1969 - was subsequently listed also on the Milan Stock Exchange as from 25 February 1970.

Following its incorporation, the Company significantly expanded its managed network.

In February 2002 - following the split of ASTM - the company SIAS (Società Iniziative Autostradali e Servizi S.p.A.) was incorporated and listed on the Stock Exchange; the equity investments held in licensees substantially refer to SIAS.

As from 1 January 2004, the Issuer transferred to SATAP S.p.A. - in which it held 99.50% of the share capital - the business unit concerning assets, liabilities and legal relations that were directly carried out until that moment within the motorway sector under concession, as well as the licence for the Turin-Milan motorway section.

Afterwards, as a consequence of the corporate reorganisation that was completed in July 2007 – and thanks to which ASTM could increase the equity investment in SIAS, thus achieving 61.705% of the share capital – the equity investments held in the motorway companies' sector, including SATAP S.p.A., were concentrated within the SIAS Group.

With regard to the said structure the Issuer, as from 25 January 2013, changed its name into ASTM S.p.A. and, following the Board's Resolution dated 10 June 2013, changed its corporate purpose as from 13 June 2013, in order to strengthen its competitive position in both the domestic and international markets, in line with the activities carried out by the main competitors at European level. More specifically, this change aims at achieving the following objectives, if so allowed by market conditions and in presence of favourable opportunities: (i) industrial integration of the motorway business with the sectors linked to the construction and management of big infrastructures and/or public works and to the implementation of related instrumental and supplementary activities; and (ii) investment in other sectors with significant value creation opportunities for the shareholders of ASTM. In November 2013 ASTM decided to diversify its investment portfolio in the "construction sector", by subscribing a reserved share capital increase approved by the associated company Itinera S.p.A. and by acquiring an equity investment equal to approximately 17% of the share capital of the company.

Also in line with its strategic plan, in December 2015, ASTM and the subsidiary SIAS S.p.A. signed an agreement with CR Almeida S.A. Engenharia e Construções concerning the acquisition of joint control of a new company incorporated under Brazilian law, which shall be contributed i) 64% of the capital of Ecorodovias Infraestrutura e Logística S.A. (a company listed on Novo Mercado BOVESPA, which manages approximately 1,860 km of motorway network in Brazil and holds controlling interests in

companies operating in the logistics and ports sectors) and ii) shares representing 55% of the capital of Concessionaria Monotrilho Linha 18 – Bronze S.A. (company operating in the urban mobility sector).

The transaction, on which significant disclosure was provided to the market, is subject to the required authorisations from the competent government authorities and approval by the lending banks of Primav Construções e Comércio S.A. (the company which currently holds the above equity investments).

As prescribed by the "traditional" administration and control model, the Issuer is managed by a Board of Directors and supervised by a Board of Statutory Auditors. These boards have the powers and functions set out by the Italian Civil Code, special laws and the Articles of Association.

The Shareholders' Meeting represents the entirety of the shareholders and takes decisions - on an ordinary and extraordinary basis - on the issues that fall under its responsibilities in compliance with the law.

Please refer to the following sections contained in this Report for further details on operation, composition and powers of the above-mentioned corporate bodies.

This Report aims at providing description of the corporate governance system and of compliance with the Code, by showing the recommendations that were implemented and those that were considered inapplicable, since they did not comply with the current management and organisational model.

This Report, which has been drawn up pursuant to art. 123-bis of the Consolidated Law on Finance, takes into account the explanatory criteria and methods contained in the format issued by Borsa Italiana S.p.A. in January 2015.

2.0 INFORMATION ON OWNERSHIP STRUCTURE (pursuant to art. 123-bis, paragraph 1 of the Consolidated Law on Finance)

As at 10 March 2016

a) Share capital structure (pursuant to art. 123-bis, paragraph 1, letter a) of the Consolidated Law on Finance)

The share capital, that has been subscribed and paid-up, amounts to EUR 44,000,000 and consists of 88,000,000 ordinary shares without par value, traded on the MTA, in the FTSE Italia Mid Cap Index.

The Issuer meets the requirements set out in articles 36 and 37 of the Market Regulation concerning the trading of own shares on the Italian regulated market.

More specifically, the application requirements set out by art. 36 are not met, considering that the Issuer does not have foreign subsidiaries in its investment portfolio.

Similarly, the requirements set out in art. 37 are met, assuming that the Issuer i) which is subject to the management and coordination activities of Argo Finanziaria S.p.A. unipersonale, has sent to the Chamber of Commerce of Turin the notice required by art. 2497-bis of the Italian Civil Code, by the deadlines required by law; ii) has an independent negotiating ability with customers and suppliers; iii)

does not have a centralised treasury service; iv) all Board's Committees are made up of Independent directors, pursuant to the Code and the Consolidated Law on Finance.

No other financial instruments were issued, which grant the right to subscribe newly-issued shares, nor share-based incentive plans were approved (stock option, stock grant, etc.) that imply increases in share capital (as well as scrip issues).

b) Restrictions on the transfer of securities (pursuant to art. 123-bis, paragraph 1, letter b) of the Consolidated Law on Finance)

There are no restrictions on the transfer of securities, such as limits to the holding of securities or the need to obtain approval by the Issuer or other securities' holders.

Pursuant to art. 6 of the Articles of Association, shares are registered if required by law; otherwise, if fully paid, these can be registered shares or bearer shares, at the choice and expense of the shareholder.

c) Significant equity investments in the share capital (pursuant to art. 123-bis, paragraph 1, letter c) of the Consolidated Law on Finance)

The Persons who hold - directly or indirectly and for more than 2%¹ - the share capital subscribed that is represented by shares with voting rights, according to the records contained in the shareholders' register, as supplemented by the communications received pursuant to art. 120 of the Consolidated Law on Finance and by other available information, are included in the summary of Table 1 contained in the Appendix.

d) Securities granting special rights (pursuant to art. 123-bis, paragraph 1, letter d) of the Consolidated Law on Finance)

The Issuer did not issue securities granting special control rights.

e) Employee shareholding: procedure for the exercise of voting rights (pursuant to art. 123-bis, paragraph 1, letter e) of the Consolidated Law on Finance)

The Issuer did not approve any employee shareholding scheme with regard to its share capital.

f) Restrictions on voting right (pursuant to art. 123-bis, paragraph 1, letter f) of the Consolidated Law on Finance)

There is no restriction on voting right.

The Issuer has only issued ordinary shares and there are no shares with voting rights other than ordinary shares.

¹ As a result of the provisions of Legislative Decree no. 25 of 15 February 2016 this threshold will be increased to 3% as of 18 March 2016.

g) Agreements between shareholders (pursuant to art. 123-bis, paragraph 1, letter g) of the Consolidated Law on Finance)

No agreement was signed between shareholders, pursuant to art. 122 of the Consolidated Law on Finance.

h) Change of control clauses (pursuant to art. 123-bis, paragraph 1, letter h) of the Consolidated Law on Finance) and provisions contained in the Articles of Association concerning take-over bids (pursuant to art. 104, paragraph 1-ter, and art. 104-bis, paragraph 1)

Some loan agreements contain normal clauses setting out, subject to the consent of lenders, the obligation to repay the debt in advance if the company SIAS or the parent company Aurelia S.r.l. lose control over the relevant licensee company(ies) and/or subsidiary(ies). Moreover, this clause is included (i) in the majority of ISDA agreements governing derivative contracts (signed by the Group companies in order to prevent the risk from interest rate fluctuations) and (ii) in some indemnity agreements concerning guarantees issued by Group companies.

The "Standard Agreements" in force, which were signed by the licensee companies controlled by the SIAS Group, set out the requirements to which the new controlling entity must comply in case of a change of control of the licensee. More specifically:

- for the licensees Società Autostrada Torino-Alessandria-Piacenza S.p.A. (A4 and A21 stretches), Autostrada Torino-Ivrea-Valle d'Aosta S.p.A., Autocamionale della Cisa S.p.A. and Autostrada Asti – Cuneo S.p.A., the requirements are listed below:
 - (i) integrity, balance sheet strength, professionalism and reliability with regard to compliance with the obligations resulting from contracts signed with public administrations;
 - (ii) compliance with the requirements set out by the so-called "anti-mafia regulations";
 - (iii) keeping the registered office of the Licensee in Italy (only with regard to Autostrada Asti – Cuneo S.p.A. and Autocamionale della Cisa S.p.A.);
- for the licensees Autostrada Torino-Savona S.p.A, Autostrada dei Fiori S.p.A., Società Autostrada Ligure Toscana p.A. and Società Autostrade Valdostane S.p.A., the requirements are listed below:
 - (i) suitable capitalisation (the shareholders' equity resulting from the last financial statements duly approved and certified should be equal to at least 1/8 of the shareholders' equity of the Licensee as at 31 December of the previous financial year);
 - (ii) registered office in a country that is not included in the list of countries subject to a privileged tax system;
 - (iii) keeping the registered office of the Licensee in Italy, as well as preserving its organisational ability, by making sure that the Licensee has the necessary tools and instruments in order to comply with the obligations set out in the agreements;
 - (iv) the members of the Management Body comply with the requirements of professionalism and, if required, independence pursuant to Legislative Decree no. 58/98, as well as with the

requirements of integrity for stock exchange listing set out by the regulations of the country in which the Company has its registered office.

However, the change of control is subject to the previous approval of the Grantor, without prejudice to compliance with the said requirements.

The Issuer's Articles of Association neither contain derogations with regard to passivity rule provisions set out in art. 104, paragraphs 1 and 2 of the Consolidated Law on Finance, nor set out the implementation of the neutralisation rules set out in art. 104-bis, paragraphs 2 and 3 of the Consolidated Law on Finance.

i) Powers to increase share capital and authorisations to purchase treasury shares (pursuant to art. 123-bis, paragraph 1, letter m) of the Consolidated Law on Finance)

In 2015, no powers to increase share capital were granted to the Board, pursuant to art. 2443 of the Italian Civil Code.

On 15 April 2015, the Ordinary Shareholders' Meeting resolved on a new authorisation to purchase and sell treasury shares, as the previous resolution issued by the Ordinary Shareholders' Meeting of 22 April 2014 expired on approval of the 2014 financial statements.

This authorisation, in line with the previous one, aims at providing Directors with a flexible management instrument in order to achieve the following objectives:

- to operate on the market, in compliance with current regulations in force;
- to have a portfolio of treasury shares that can be used for any extraordinary financial transaction or for any other commitment of financial, management and/or strategic interest for the Company;
- to offer to the shareholders a further monetisation instrument of their investment.

Purchase transactions - which are authorised until the Shareholders' Meeting for the approval of the financial statements as at 31 December 2015 and, in any case, for a period of 18 months starting from the date of the resolution - can be made until achieving a maximum of 17,600,000 ordinary shares (equal to 20% of the share capital), while no time limits have been defined for disposal transactions.

Purchase and disposal transactions of treasury shares should be carried out taking into account: i) 4,441,500 treasury shares in portfolio as at 15 April 2015 (date of the Meeting's resolution), and ii) 21,500 shares held by the subsidiary ATIVA S.p.A..

The purchase price of the shares shall not be lower than 10% and not higher than 10% of the reference price recorded on the stock market trading day before each single purchase transaction.

With regard to above, on 15 April 2015 the Board of Directors, having taken into account ASTM shares already in portfolio (i.e. approximately 5.072% of the share capital), approved the launch of the new purchase plan of treasury shares, by authorising the acquisition up to a maximum of a further 3,520,000 ASTM shares (+4%), thus achieving approximately 9.072% of the share capital.

With regard to above, as of today's date ASTM holds 5,227,950 treasury shares, equal to 5.94% of the share capital (5,206,450 shares directly and 21,500 indirectly through the subsidiary ATIVA S.p.A.).

l) Management and coordination activities (pursuant to art. 2497 et seq. of the Italian Civil Code)

The Issuer is subject to the management and coordination activities of Argo Finanziaria S.p.A. unipersonale.

It is specified that:

- the information required by art. 123-bis, paragraph 1, letter i) ("*the agreements between the company and the directors [...] providing for indemnities in case of resignation or removal without just cause or termination following a take-over bid*") is contained in the remuneration report published in compliance with art. 123-ter of the Consolidated Law on Finance;
- the information required by art. 123-bis, paragraph 1, letter l) ("*the rules for the appointment and replacement of Directors [...], as well as for the amendment of the Articles of Association, if different from the supplementary legal and regulatory rules*") is detailed in the Report section concerning the Board of Directors (Section 4.1).

3.0 COMPLIANCE (pursuant to art. 123-bis, paragraph 2, letter a) of the Consolidated Law on Finance)

The Issuer's corporate governance model is mainly in line with the Code of Conduct of listed companies, as approved in July 2015.

The Issuer's governance model takes into account the company size, the ownership structure, as well as the sector.

The Issuer and its subsidiaries with strategic importance are not subject to foreign law provisions that affect the Issuer's corporate governance structure.

The Code followed by the Issuer can be found on the website of the Corporate Governance Committee: <http://www.borsaitaliana.it/comitato-corporate-governance/codice/2015clean.pdf>

4.0. BOARD OF DIRECTORS

4.1. APPOINTMENT AND REPLACEMENT (pursuant to art. 123-bis, paragraph 1, letter l) of the Consolidated Law on Finance)

Pursuant to art. 16 of the Articles of Association, the Issuer 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.

The whole Board of Directors is appointed on the basis of the lists submitted by the shareholders; the candidates – who are listed by a sequence number – have to comply with the requirements of integrity

provided for by applicable law.

The lists submitted by the shareholders shall be filed at the registered office within the terms and according to the methods set out by current regulations.

Each shareholder can draw up or submit only one list.

Each list shall include a number of candidates not exceeding the maximum number of Directors set out by 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 the candidature and the declaration that the candidate does not belong to other lists; as well as iii) any other document provided for by applicable law. 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 current regulations on gender parity.

Only shareholders who - alone or together with others - hold shares representing the shareholding in the share capital, as set out by law, have the right to submit lists: the legal title to the above-mentioned shareholding shall be proved according to the methods and timescales set out by law.

The list that does not comply with the above-mentioned provisions shall be considered as "not submitted".

Each person entitled to vote may vote only one list.

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

- a) four-fifths of the Directors to be appointed are 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 are chosen from other lists; to this purpose, the votes obtained by the lists are subsequently divided by one, two and three, according to the number of Directors who shall be elected. The ratios obtained are progressively assigned to the candidates of each list, according to their related order. The ratios assigned to the candidates of the lists are listed in a single ranking and those with the highest ratios are 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 shall vote again and the candidate who obtains the simple majority of votes is elected.

If, as a result of the said 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 the Articles of Association, the Shareholders' Meeting passes resolutions according to law 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.

If, during the financial year, one or more Directors cease to hold office, reference is made to law provisions in force, by appointing, according to a progressive order, the candidates from the list of the Director who ceased to hold office, who are still eligible and willing to accept the office, in any case by ensuring, pursuant to current regulations, the necessary number of Independent Directors, as well as gender parity.

If, in case of resignation or other reasons, the majority of Directors appointed by the Meeting fails, the whole Board shall resign and its termination shall be effective from the moment when the Board of Directors will be re-established, following the appointments made by the Meeting that shall be convened as soon as possible.

The Directors are in office for the time agreed by the Meeting (in any case, not more than three financial years) and can be re-appointed; the persons appointed during this period shall fall from office together with those members who were already in office upon their appointment.

Succession planning

Having taken into account the current corporate structure with one reference shareholder, the Board of Directors decided not to adopt a succession planning policy for executive directors, since it was deemed inappropriate to identify persons or criteria for their selection before the actual need to replace an executive director arises.

4.2. MEMBERS (pursuant to art. 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance)

The Board was appointed by the Ordinary Shareholders' Meeting held on 10 June 2013 for the financial years 2013-2014-2015 (i.e. until the approval of the financial statements as at 31 December 2015), based on the only list submitted by Argo Finanziaria S.p.A. unipersonale which holds 52.737% of the share capital as at the date of submission of the list. The latter includes 15 candidates: Gian Maria Gros-Pietro (appointed Chairman during the Shareholders' Meeting), Stefania Bariatti, Luigi Bomarsi, Caterina Bima, Flavio Dezzani, Cesare Ferrero, Giuseppe Garofano, Daniela Gavio, Marcello Gavio, Barbara Poggiali, Luigi Roth, Alberto Rubegni, Alberto Sacchi, Stefano Viviano, Marco Weigmann.

The minimum shareholding in the share capital required in order to submit lists was set out by Consob by means of Resolution no. 18452 of 30 January 2013 and is equal to 2.5%.

Having established that the Board to be elected should have 15 members, all above-mentioned candidates became members of the Issuer's Board of Directors.

With regard to voting, out of a total of 64,643,492 shares present (equal to 73.46% of the share capital), 57,880,279 shares voted in favour and 6,763,213 shares voted against.

The list with the said votes is attached to the meeting's minutes of 10 June 2013, which have been published on the website under the "governance" section.

The Directors Caterina Bima, Flavio Dezzani, Giuseppe Garofano, Barbara Poggiali, Luigi Roth and Marco Weigmann confirmed compliance with the independence requirements set out in article 3 of the Code and in article 148, paragraph 3 of the Consolidated Law on Finance. The Director Cesare Ferrero confirmed compliance only with the requirements set out in the said article 148, paragraph 3 of the Consolidated Law on Finance.

During the meeting held on 10 June 2013, the Board defined the organisational chart of the company, by confirming two Vice-Chairmen (Daniela Gavio and Marcello Gavio), as well as the Managing Director (Alberto Sacchi) and any related management powers.

Effective 28 September 2015, Alberto Sacchi resigned from his office. On the same date, the Board (i) appointed Managing Director Alberto Rubegni to replace him, already a member of the board, and (ii) co-opted Pierluigi Davide as a new Director, who resigned from the office effective 3 February 2016.

In the subsequent meeting of 24 February 2016, given that, on approval of the 2015 financial statements by the annual Shareholders' Meeting, the Board's mandate will expire, it resolved not to co-opt any further members.

With regard to the date of first appointment of the other members of the Board, the following is noted: Daniela Gavio (co-opted by the Board on 24.03.1994), Cesare Ferrero (Ordinary Shareholders' Meeting of 4.05.2001), Giuseppe Garofano (Ordinary Shareholders' Meeting of 10.05.2007), Marcello Gavio, Luigi Roth, Stefano Viviano (Ordinary Shareholders' Meeting of 28.04.2010), Gian Maria Gros-

Pietro (Ordinary Shareholders' Meeting of 20.04.2012), Luigi Bomarsi (co-opted by the Board on 06.12.2012), Stefania Bariatti, Caterina Bima, Flavio Dezzani, Barbara Poggiali, Alberto Rubegni, Marco Weigmann (Ordinary Shareholders' Meeting of 10.06.2013).

The Ordinary Shareholders' Meeting that will be convened to resolve upon the 2015 financial statements, shall appoint the new Board of Directors. The stake necessary to submit lists was set out by Consob, by means of Resolution no. 19499 dated 28 January 2016, and is equal to 1%.

Table 2 in the appendix includes a summary of the information concerning the members of the Board and any related Committee.

As can be inferred from the short bibliographical notes detailed below, the Directors currently in office have adequate professional experience - with regard to legal, technical, economic and financial subjects - as well as specific skills through which they actively participate and contribute to the works and decisions of the Board:

Gian Maria Gros-Pietro: (born in Turin on 04/02/1942) - He obtained a degree in Economics and Business at the University of Turin. He taught Business Economics at the University of Turin, then at Luiss Guido Carli University of Rome, where he headed the Department of Economic and Business Science. He is currently a member of the Board of Directors of Luiss. From 1974 to 1995 he directed the Istituto di Ricerca sull'Impresa e lo Sviluppo, the main economic body of the Consiglio Nazionale delle Ricerche. He is the author of several economic, industrial and financial publications. He has been Chairman of IRI, Eni and Atlantia, as well as a director of numerous listed companies, including Fiat and Caltagirone. He currently chairs the Management Board of Intesa Sanpaolo and is a member of the Board of Directors of Edison.

Daniela Gavio: (born in Alessandria on 16 February 1958) - She obtained a degree in Medicine (Surgery) at the University of Genoa. She acquired expertise in corporate management matters mainly within the Gavio Group, with particular reference to the motorway concession, general building and construction, logistics and transport sectors.

Marcello Gavio: (born in Alessandria on 8 October 1967) - After obtaining a diploma as Surveyor at the Istituto Tecnico per Geometri in Tortona, he acquired expertise in corporate management matters mainly within the Gavio Group, with particular reference to motorway companies, building, general constructions, logistics and transport sectors.

Alberto Rubegni: (born in Pisa, on 15/03/1951). He obtained a degree in Civil Engineering (Structures division). He has extensive experience in managing highly complex infrastructural projects in Italy and throughout the world, both in the construction of large works and in the concession and project financing sectors. From July 1997 to July 2012 he worked for Impregilo S.p.A., first as General Manager, then as Managing Director, leading the Company to achieve important, prestigious results at international level.

Stefania Bariatti: (born in Milan on 28 October 1956) - She obtained a degree in Law at the

University of Milan, where she is Professor of International Law. She is counsel at the Chiomenti law firm. She holds the office of Director at Fondazione Tecnomed - Università degli Studi di Milano-Bicocca, at CNPDS Onlus (Centro Nazionale di Prevenzione e Difesa Sociale) and at Banca Monte dei Paschi di Siena S.p.A. At international level, from 1999 to 2007 she represented the Italian Government at the Hague Conference on Private International Law during the works concerning some international conventions. Moreover, she is author of more than a hundred publications on Private International Law, European Union Law and International Law.

Luigi Bomarsi: (born in Castiglione della Pescaia - GR - on 8 February 1959) – He obtained a degree in Economic and Banking Science at the University of Siena. He is a chartered accountant and is enrolled in the Register of Auditors. Since 2003 he has worked for the Gavio Group.

Caterina Bima: (born in Borgo San Dalmazzo - CN - on 30 January 1960) - She obtained a degree in Political Science (specialising in international political science) and one in Law at the University of Turin. She is a Notary Public in Turin, specialising in the corporate sector.

Flavio Dezzani: (born in Asti on 8 January 1941) - He obtained a degree in Economics and Business at the University of Turin. Since 2012, he has been Professor Emeritus of Business Economics at the Economics division of the University of Turin. He is Director of the Istituto di Economia aziendale e di Ragioneria (Institute of business economics and accountancy) at the University of Turin and he is also member of the Accademia Italiana di Economia Aziendale (Italian academy of business economics). Moreover, he is a chartered accountant and is the author of several publications on financial statements/corporate business. He is also member of the Board of Statutory Auditors of some financial companies and banking institutes, as well as Chairman of the Technical-Scientific Committee of OIC (Italian Accountancy Board).

Cesare Ferrero: (born in Turin on 2 November 1936) - He obtained a degree in Economics and Business at the University of Turin. He is enrolled in the Register of Chartered Accountants and in the Register of Auditors. He is a chartered accountant, focusing in particular on corporate matters, including tax consultancy, contracts and civil/criminal-law consultancy with regard to corporate and financial statement matters. Moreover, he is Director/Auditor of major companies.

Giuseppe Garofano: (born in Nereto - TE - on 25 January 1944) - He obtained a degree in Chemical Engineering at the Politecnico of Milan, as well as a S.D.A. diploma in Business Economics at the Bocconi University of Milan (Business Administration master). He has a broad professional experience and holds top-level positions in chemical, banking and financial companies.

Barbara Poggiali: (born in Milan on 4 March 1963) - She obtained a degree in Materials Engineering at the Massachusetts Institute of Technology. She has gained extensive managerial experience, holding management and corporate offices in major Italian and foreign companies (some of which are also listed).

Luigi Roth: (born in Milan on 1 November 1940) – He obtained a degree in Economics and Business at the Bocconi University of Milan. He is enrolled in the Register of Auditors and gained experience in

corporate management thanks to top-management positions at major companies (mainly in the transport sector). He is a columnist for several newspapers and operates in the social sector, acting as Director in several charitable foundations.

Stefano Viviano: (born in Genoa on 21 June 1976) – He obtained a degree in Business Economics (specialising in Finance) at the Bocconi University in Milan. He has been working for the Gavio Group since 2005, where he acquired experience especially in the field of Group finance.

Marco Weigmann: (born in Turin on 20 May 1940) - He obtained a degree in Law at the University of Turin. He is leading partner at the Tosetto, Weigmann e Associati law firm, specialising in civil and commercial law and, in particular, in the corporate sector. He was a member of the Camera Arbitrale Nazionale ed Internazionale (National and international Arbitration Court) of Milan for six years, he has been a member of the Piedmont Arbitration Court for several years, and is a Board member of the Turin Lawyer Council and of various non-profit civil bodies, as well as Director of major companies (some of which also listed).

The curricula of the members of the Board are available on the Issuer's website (under the "governance" section).

Maximum number of offices held in other companies

In January 2008, the Issuer adopted the procedure aimed at identifying the maximum number of offices as director or auditor in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large enterprises. This procedure was reviewed in November 2012.

The directors accept the office by taking into account, in their duties, the limits set out by the said procedure (available on the website under the "governance" section), which takes into consideration the level of commitment implied in each position, also with regard to the nature and size of the companies in which offices are held, as well as whether or not these belong to the Group. Large enterprises are defined as follows:

- a) Italian companies with shares listed on Italian or foreign regulated markets;
- b. Italian or foreign companies with shares that are not listed on regulated markets and which operate in the insurance, banking, financial brokerage, managed savings or financial sectors;
- c) Italian or foreign companies other than those described in the previous paragraphs a) and b) which, individually or at Group level in case they draw up the consolidated financial statements, show i) revenue from sales and services higher than EUR 500 million; and ii) balance sheet assets higher than EUR 800 million, based on the last duly approved financial statements.

Having taken into account the commitment implied in each single position, the following maximum limits on administration or control offices that can be held in large enterprises, as defined above, were established:

1. Executive Directors with management powers: 4

2. Executive Directors without management powers: 6

3. Non-executive directors: 8

With regard to the calculation of offices:

- ❑ those positions held in companies directly and/or indirectly controlled by ASTM, as well as in its parent companies are not taken into account;
- ❑ substitute auditor offices, as well as administration and control offices held in associations, foundations, consortium companies, consortia and unlisted cooperatives are not taken into account;
- ❑ in order to identify large enterprises pursuant to paragraph c), the item "revenue from sales and services" means income from ordinary operations;
- ❑ in case of offices held in companies belonging to the same group and if the director holds a similar office in the parent company and in companies under its control and included in its scope of consolidation, the identification of large enterprises is to be carried out, for the parent company, on the basis of the consolidated financial statements and, for subsidiaries, based on the related separate financial statements, also in case that the latter, as sub-holding companies, draw up their own consolidated financial statements;
- ❑ in case of offices held in large enterprises belonging to the same group, the weight given to each of the offices - except for the first one - is reduced by half and, in any case, the fact of holding several positions within the same group shall not imply a total "weight" higher than 2.

However, the Board is allowed to grant derogations (including temporary ones) for exceeding the above-mentioned limits.

The list attached to Table 2 shows the offices held by some Directors, in view of the above-mentioned parameters and criteria.

Induction Programme

In October 2013, following the renewal of the Board of Directors, during a special meeting organised by the Chairman, the ASTM Group and its related core business were presented, focusing in particular on the motorway, planning, engineering sectors and the potential development and expansion initiatives in the construction sector aimed at strengthening the competitive position in the sector.

The frequency and contents of the meetings of the Board of Directors ensure that the Directors and Auditors are constantly informed on the corporate and market situations, as well as on the main legal and regulatory developments concerning the Issuer and the Group. Having considered the industrial holding activities carried out by ASTM, special attention is paid to the purchase and disposal of equity investments and to the motorway segment, so that it is possible to have an updated framework on the corporate activities and dynamics under way/that are being assessed, in order to take proper decisions.

4.3. ROLE OF THE BOARD OF DIRECTORS (pursuant to art. 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance)

During the financial year, the Board held 9 meetings that were attended on average by 94.07% of the members and by 90.48% of the independent Directors.

The average duration of each meeting was approximately 1 hour and a half.

With regard to FY 2016 - as detailed in the annual schedule of corporate events sent to Borsa Italiana S.p.A. in January 2016 - at least 4 meetings have been forecast to approve the financial statements, the first and third intermediate management reports, as well as the half-yearly financial report.

Since the beginning of FY 2016, 3 meetings have already been held, although 2 of them were not included in the above-mentioned schedule.

The Chairman and the Managing Director have always made sure that Directors and Auditors could receive the documents about the agenda well in advance of each single board's meeting.

In this area, the Board, pursuant to the Code and having taken into account the operating dynamics of the Company and its Group and the organisational/management structure, decided to lay down a deadline of two working days, except for cases of urgency and confidentiality of price-sensitive information. The said deadline was mostly complied with during the financial year thanks to the management and preparation of the Board's work.

Moreover, the Chairman ensures that each item on the agenda is dealt with thoroughly, by encouraging discussion, which is useful in order to take decisions.

To this end, the Chairman can ask that the executives of Group Companies and the managers of corporate functions take part in the meeting, as well as, where the conditions are met, advisors and/or legal consultants. In this regard, said managers attended the meetings in relation to their areas of responsibility, in which the Board expressed a positive opinion i) on the agreement for the consensual termination of employment of the General Manager and the management position of the Managing Director (who resigned, as noted, effective 30 July 2015 and 28 September 2015, respectively) and ii) on the Agreement with CR Almeida S.A. Engenharia e Construcoes, for the initiative in Brazil.

In any case, as general company practice, the General Manager has always taken part in the Board's meetings, for the entire term of office, thus offering his expertise and knowledge. Upon approval of the annual and interim accounting documents, the General Manager also participates as "manager in charge of drawing up the corporate accounting documents".

As specified herein below, since 30 July 2015 Lucia Scaglione has participated as the "manager in charge of drawing up the corporate accounting documents".

So that the greatest number of Directors can participate in the corporate activities pursuant to art. 19 of the Articles of Association, it is possible to take part in the meetings by attending at distance, using conference call or videoconference systems that ensure promptness and efficiency of the flow of information.

Powers and authorities of the Board

Pursuant to art. 21 of the Articles of Association, the Board is endowed with broad and unrestricted powers for the ordinary and extraordinary administration of the company and has the authority to carry out all actions (including acts of disposal) that it deems necessary to achieve the corporate purpose, with the sole exception of those which the law expressly reserves to the Meeting.

The Management Body is responsible for the examination and approval of strategic, industrial and financial plans of ASTM and its Group; having also taken into account the information provided by the Managing Director - with regard to the exercise of his/her management powers - the Management Body constantly assesses the general results of operations.

With reference to the specific powers set out by the Code, the Board monitors the adequacy of the organisational, administrative and accounting structure of the Issuer and the subsidiaries with strategic importance (only Sina S.p.A. and Igli S.p.A.). SIAS was not included (nor its subsidiaries), based on the provisions issued by Borsa Italiana S.p.A. and contained in the notes to the Code, where "*the principle of management autonomy is guaranteed if the subsidiary is also listed*".

Specifically, the Board shall examine the following significant transactions carried out by the Issuer or its subsidiaries and that have a strategic, economic and financial relevance:

- a) the issuance of financial instruments, for a total value higher than EUR 10 million;
- b) the granting of loans to entities other than subsidiaries, for amounts higher than EUR 10 million, if this is proportional to the shareholding or for amounts higher than EUR 5 million if this is not proportional to the shareholding;
- c) the signing of derivative contracts i) which have an amount higher than EUR 10 million as notional value, and ii) which do not only aim at hedging corporate risks (by way of example only, interest rate, exchange and raw material hedging);
- d) the granting of personal guarantees and/or collaterals in favour of entities other than the Company or subsidiaries, for amounts higher than EUR 10 million;
- e) merger or split-off transactions, where at least one of the involved companies is not a subsidiary;
- f) acquisition or disposal of real estate whose value is equal or higher than EUR 5 million;
- g) acquisition or disposal of companies or business units, whose transaction value is equal or higher than EUR 10 million;
- h) acquisition or disposal of equity investments, incorporation of new companies and transactions which involve new contributions that are not proportional to the shareholding ("new contributions" means share capital increase subscription, payments towards future share capital increase, payments to cover losses) for which the value of the transaction/contribution for the Company is equal or higher than EUR 10 million (equal or higher than EUR 5 million for transactions carried out by subsidiaries), as well as the signing of agreements for the exercise of rights related to these equity investments and transactions which can involve, during their development or at their end, commitments and/or purchase agreements and/or disposal agreements of this kind and of this

extent. The purchase of treasury shares made according to the authorisation given by the Shareholders' Meeting, pursuant to current regulations, is not considered as a transaction for the acquisition of equity investments;

- i) any other transaction that, according to the competent Bodies of a subsidiary, has an impact on the strategic, economic and financial position and results of ASTM S.p.A.

With reference to the above-mentioned aspects - and for a correct implementation of the procedure within the ASTM Group - the Board immediately notified any relevant information.

As regards the decisions taken by the Board on the identification of significant transactions with related parties and implementing procedures, reference should be made to the specific information contained in paragraph 12.0 "Directors' interests and transactions with related parties".

Assessment on the size, composition and functioning of the Board

The Directors carried out the usual annual assessment of the size, composition and functioning of the Board and its Committees, in compliance with the Code.

To this regard and at the Chairman's initiative, in January 2016 - as in previous years - an inquiry was launched with all members of the Management Body, based on the distribution of a questionnaire asking each interest party to provide their opinions on specific issues. More specifically: (i) the Board members and their professional skills in relation to the "industrial holding company" activities conducted by the Issuer, (ii) the Board's functioning, (iii) the role, members and functioning of the Audit and Risk Committee and the Remuneration Committee and (iv) Independent Directors.

The results of the assessment, which are anonymous, have been deeply analysed during a Board's meeting. The results showed, on the whole, a positive assessment on the functioning of the Board and the Committees.

In brief, with regard to the industrial holding activity carried out by the Company, the Directors believe that the number of directors in the Board is adequate for the size and structure of the corporate organisational system and that the Board's members have adequate professional experience concerning legal, technical, economic and financial subjects, through which they ensure all necessary skills and knowledge required to achieve the strategies and purposes of both ASTM and the Group, also having taken into account their seniority.

In particular, the Directors - with specific reference to corporate operations and the objectives achieved in 2015 - underlined that they took part in corporate management activities and actively contributed to the works and decisions, as confirmed by their participation in the meetings.

In this regard, the documents and information on the subjects assessed by them were generally provided well in advance of each single meeting, so as to allow them to adequately prepare.

The Board has been updated on the ordinary and extraordinary operations of the Company, on significant events, as well as on initiatives under assessment and those carried out in the exercise of the management powers assigned.

This was also made possible thanks to the assistance and help provided by the Audit and Risk Committee and the Remuneration Committee that, as part of their powers, supported the Board's assessment and decision-making activities.

Following said assessment process, the Board, in compliance with the Code, provided the shareholders (in view of the upcoming renewal of the Management Body by the annual Shareholders' Meeting called to approve the 2015 financial statements) with its opinion on the size and structure of the management structure.

Non-competition clause pursuant to art. 2390 of the Italian Civil Code

The Meeting did not grant derogations with regard to the non-competition clause pursuant to art. 2390 of the Italian Civil Code.

4.4. DELEGATED BODIES

Managing Director

Up to 28 September 2015, the office of Managing Director was held by Alberto Sacchi. As mentioned, Director Alberto Rubegni was appointed to replace him, and granted the following management powers, substantially in line with the previous ones: to carry out all ordinary and extraordinary management actions, subject to the limitations set out by law and the Articles of Association, except for the following actions that need to be previously authorised by the Board of Directors: i) sell, exchange and transfer real estate in incorporated companies or under incorporation, ii) transfer, sell, award and generally dispose of the equity investments held in subsidiaries, so as to reduce the investments below 50.1% of the share capital. Moreover, he also has the power to appoint and revoke appointment of proxies and attorneys by setting out their powers, as well as to promote and support legal actions on behalf of the Company – acting as both claimant or defendant – at any court (civil, penal or administrative) and at any level of jurisdiction, in Italy and abroad.

Chairman

In order to ensure maximum efficiency in corporate activities, on 10 June 2013, after the annual Shareholders' Meeting re-appointed the Management Body, the Chairman was granted the following powers, to be exercised with separate signature: i) to define the agenda of the Board of Directors' meeting, in agreement with the Managing Director; ii) to supervise the implementation of the resolutions made by the Board of Directors and the Executive Committee, if present; iii) to provide for external communication, together with the Managing Director; iv) to file lawsuits, requests and complaints, promote and support legal actions on behalf of the company – acting as both claimant or defendant – at any court (civil, penal or administrative) and at any level of jurisdiction, both in Italy and abroad, including the Constitutional Court, the Court of Cassation, the Council of State, the Higher Public Water Court, the regional Courts and any other Court (including special ones) also with regard

to revisions and third-party proceedings, as well as the European Court of Justice, to appoint and revoke lawyers and solicitors; v) to represent the Company during the meetings of companies, associations, boards and bodies who do not form joint-stock companies, of which the Company is a shareholder or a member entitled to delegate another person; and vi) to sign corporate mail and the documents related to the office and the exercise of powers.

Vice-Chairmen

For reasons of management efficiency, the operations of Vice-Chairmen were aligned with those of the Chairman, by granting similar powers to be exercised with separate signature, in case of absence or impediment of the Chairman.

General Management

From May 2005 to 30 July 2015, the office of General Manager was held by Graziano Settime. Based on the powers granted to him in March 2006 – which were subsequently revised in August 2012 – he had the following tasks: i) to prepare the organisational, financial, industrial and commercial plans of the Company, in compliance with the general guidelines of the Board, which shall be previously examined by the Chairman and/or the Managing Director; ii) to coordinate the activities of Company Managements and supervise the organisation of employees, by defining their tasks and abilities, as well as to adopt disciplinary measures in compliance with current rules, the national collective agreement and the corporate trade union agreements.

As part of the current and ordinary corporate management, expense limits were defined, among which: i) EUR 1,000,000 to negotiate and sign contracts; ii) EUR 5,000,000 to purchase, sell and subscribe credit instruments and equity investments other than those related to subsidiaries or associated companies, pursuant to art. 2359 of the Italian Civil Code; iii) EUR 10,000,000 to subscribe and terminate policies of any kind.

To date, no decisions have been made regarding adding to the Company's organisational structure by restoring the position of General Manager.

Executive Committee (pursuant to art. 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance)

Based on the current organisational and operating structure of the Issuer, the Board of Directors has not appointed an Executive Committee.

Information to the Board

The Chairman and the Managing Director reported to the Board of Directors and the Board of Statutory Auditors, during each single meeting and at least on a quarterly basis, on the activities carried out in the exercise of their powers, on the general management performance and its outlook,

as well as on the most significant economic and financial transactions made by the Company or its subsidiaries.

4.5. OTHER EXECUTIVE DIRECTORS

In the light of the definition contained in the application criterion 2.C.1. of the Code and the current administrative structure, the Sole Director of the "strategic subsidiary" IGLI S.p.A. Stefano Viviano holds the office of executive director, in addition to the Chairman, the Vice-Chairmen and the Managing Director.

4.6. INDEPENDENT DIRECTORS

As shown above, upon presentation of the lists (and the acceptance of the candidature), 6 Directors confirmed compliance with the independence requirements set out by the Code and the Consolidated Law on Finance, while one Director confirmed compliance only with regard to the Consolidated Law on Finance. Compliance with these requirements, also having heard the opinion of the Board of Statutory Auditors, was positively assessed by the Board following the appointment and during the usual annual assessments, the last of which was made in February 2016.

All Directors undertook to report to the Issuer on any change of the information provided upon acceptance of the candidature, among which their independence.

In the framework of its specific powers and authorities, the Board of Statutory Auditors favourably examined and verified the correct application of the assessment criteria and procedures adopted by the Board to assess the independence of its members.

Independent Directors' Meeting

The meeting of the Independent Directors was held in December 2015. Following the assessment, they positively assessed the operations and composition of the Management Body, whose members have professional profiles and knowledge suitable in order to achieve the strategies and aims of the Company and the Group.

In this context, they expressed their favourable opinion on the existing information flow that enables them to monitor corporate activities and the internal audit system of ASTM and its main investees, also thanks to the cooperation of the corporate management and the staff responsible for this subject.

It was acknowledged that the Board is regularly updated on the ordinary and extraordinary administration of the Company, on significant events, as well as on initiatives under assessment and those carried out in the exercise of management powers.

Reference was also made to the precious contribution given by the Audit and Risk Committee (also in its function as the Related Parties Committee, where the requirements are met), the Remuneration

Committee and the Supervisory Body, which periodically report on the results of their activities, in the framework of their powers and authorities, and support the Board's decisions.

4.7. LEAD INDEPENDENT DIRECTOR

The current organisational structure of the Board, with regard to the distribution and allocation of management powers, complies with the principles contained in the Code, according to which the company management should be divided from the office of Chairman. For this reason, the conditions are not met to appoint a lead independent director among independent directors.

5.0. HANDLING OF CORPORATE INFORMATION

During the financial year, the Chairman and the Managing Director, in cooperation with the investor relations' supervisor, have been in charge of the management of corporate information, with particular reference to price-sensitive information.

The disclosure of documents and information on the Company and its subsidiaries has been carried out - in agreement with the Chairman and the Managing Director - by the Board's Secretariat and the Corporate Bodies' Office with regard to communications to the relevant Authorities and the shareholders and by the investor relations' supervisor for information to institutional investors.

With the implementation of the "organizational, management and control models pursuant to Legislative Decree 231/01", the Board adopted among other things the procedure for the "management of confidential information", whose disclosure is carried out by means of dedicated network connections (SDIR-NIS/NIS-STORAGE), whose access is protected by passwords which are only known to the Board's Secretariat.

With regard to the hypothesis of "insider trading", as from 1 April 2006 the Issuer and its subsidiaries created a register of individuals who have access to inside information, in accordance with the terms and conditions set out by current regulations.

The said register is managed according to a specific IT procedure prepared for that purpose.

With regard to the Internal Dealing procedure, the Corporate Bodies' Office is responsible for the receipt, management and diffusion on the market of those transactions - equal or higher than EUR 5,000 - carried out with regard to the Issuer's security and the related financial instruments by "significant parties", as identified by the current legal requirements.

In order to promptly comply with disclosure requirements, a document entitled "*Transactions carried out by significant parties and persons closely related to them*" was drawn up and given to "significant parties". This document contains all legal and regulatory provisions that constitute the regulatory framework, as well as the terms and conditions for communications to Consob, the Issuer and the market.

During 2015, the Issuer transmitted to the market 1 internal dealing notice concerning a purchase transaction carried out, with regard to the Issuer's financial instruments, by the Director of the subsidiary SIAS S.p.A. Beniamino Gavio.

6.0 BOARD OF DIRECTORS' INTERNAL COMMITTEES (pursuant to art. 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance)

Following renewal of the Management Body by the Ordinary Shareholders' Meeting held on 10 June 2013, the Board – during the meeting held on the same date – appointed the Remuneration Committee and the Audit and Risk Committee. Their members comply with the provisions set out in the Code, since they all are non-executive directors and meet independence requirements.

The Board decided neither to appoint the Appointment Committee nor other Committees, for the reasons described below.

7.0 APPOINTMENT COMMITTEE

In line with the assessments made in the past, the Board does not deem it necessary to create an internal Appointment Committee, assuming that the appointment of Directors is carried out by means of list voting, in compliance with the terms and conditions set out in art. 16 of the Articles of Association and regulations in force.

8.0. REMUNERATION COMMITTEE

Composition and functioning of the Remuneration Committee (pursuant to art. 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance)

The Remuneration Committee is made up of the Independent Directors Marco Weigmann (Chairman), Caterina Bima and Luigi Roth, the latter having adequate knowledge and experience in financial and remuneration policy matters.

The Committee is convened - upon request of its members - by the Board's Secretariat, which also prepares the minutes of each single meeting. All members of the Board of Statutory Auditors are also invited to take part in the meetings.

The Committee held three meetings, that were attended by all members and by the whole Board of Statutory Auditors. Two meetings have already been held in 2016, in order to evaluate some proposals on the compensation to be paid to the Managing Director, in charge of the function since 28 September 2015, and concerning the Issuer's remuneration policy, which will be submitted to the annual Shareholders' Meeting. No other meetings have been planned up to now.

Pursuant to the recommendations contained in the Code, the Directors do not attend the Committee's meetings during which proposals are made to the Board with regard to their remuneration.

Functions

In compliance with the Code, the Remuneration Committee has the power to: i) submit proposals to the Board concerning remuneration policies for directors and key management personnel; ii) periodically assess adequacy, general coherence and practical implementation of remuneration policies adopted for directors and key management personnel, by making use (with regard to this latter point) of the information provided by managing directors, as well as to make proposals to the Board on this subject; iii) make proposals or express opinions to the Board on the remuneration of executive directors and other directors holding specific offices, as well as on the performance objectives related to the variable portion of this remuneration; iv) monitor the implementation of the decisions adopted by the Board by assessing, in particular, the achievement of performance objectives. By exercising these powers, during 2015 the Committee has supported the Board in i) the approval of the general remuneration policy, which was submitted to the non-binding vote of the Annual Shareholders' Meeting held on 15 April 2015 and ii) the approval of the agreement for the consensual termination of employment of the General Manager Graziano Settime and the management position of the Managing Director Alberto Sacchi (who resigned, as noted, effective in July and September 2015, respectively).

To carry out its duties, the Committee uses corporate means and structures and can avail itself of external consultants, whose costs are to be borne by the Company. Consequently, as of today the Board of Directors has not considered the opportunity to approve a specific budget for the Committee.

9.0 DIRECTORS' REMUNERATION

General Remuneration Policy

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

The members of the Board are entitled to reimbursement of the costs incurred to carry out their duties.

Except for the fees approved by the Shareholders' Meeting, the remunerations for those persons holding corporate offices are established by the Board upon proposal of the Remuneration Committee and having consulted the Board of Statutory Auditors, pursuant to art. 2389 of the Italian Civil Code, as well as by the Audit and Risk Committee if requirements are met, pursuant to the procedure on transactions with related parties.

Moreover, the Board sets out the remuneration for the members of the Supervisory Body and the Committees that have been created in compliance with the Code.

As stated, in March 2015, based on the proposal of the Remuneration Committee, the Board approved the Issuer's remuneration policy, which is mainly in line with the one approved for 2014. The 2015 remuneration policy was approved by the Shareholders' Meeting on 15 April 2015.

With regard to remuneration policies, the Company established fixed wages for its directors with management powers (including executive ones) and excluded variable wages.

Therefore, there are no (i) remuneration plans based on shares, and (ii) remunerations which are significantly linked to the achievement of specific - also non-economic - performance objectives.

This issue is thoroughly described in the "Remuneration Report" (prepared in compliance with article 123-ter of the Consolidated Law on Finance and article 84-quater of the Consob Issuer Regulation), which is available on the company's website, in the "governance" section.

Remuneration of key management personnel

By reference to the definition contained in Annex 1 of the Consob Related Parties Regulation, the Issuer did not identify any key management personnel in the current corporate governance structure.

Incentives for the internal audit manager and the manager in charge of drawing up the corporate accounting documents

In line with the principles and values of the Issuer's remuneration policy, no incentives are set out for the internal audit manager and the manager in charge of drawing up the corporate accounting documents.

Directors' indemnity in case of resignation, dismissal or termination of the employment relationship following a take-over bid (pursuant to art. 123-bis, paragraph 1, letter i) of the Consolidated Law on Finance)

The Issuer did not sign with the Directors any agreements for indemnities in case of resignation, dismissal or termination of the employment following a take-over bid.

10.0 AUDIT AND RISK COMMITTEE

Composition and functioning of the Audit and Risk Committee (pursuant to art. 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance)

The Audit and Risk Committee is made up of the Independent Directors Giuseppe Garofano, Barbara Poggiali and Flavio Dezzani, the latter acting as Chairman and having adequate experience in accounting, financial and risk management matters.

During the financial year, the Committee held 6 meetings that were also attended by all the members of the Board of Statutory Auditors.

Based on the "Guidelines for the internal audit and risk management system" in force, approved by the Board in March 2014, the Committee reports on the results of its activities on a half-yearly basis, during the meetings held to approve the annual and interim accounting documents. As a consequence, at least 2 meetings have been planned for FY 2016, without prejudice to further meetings concerning any preliminary assessment of transactions with related parties.

Six meetings have been held since the beginning of the financial year.

The Committee is called, on request by its members, by Lucia Scaglione (who possesses expertise in the preparation of the Group's consolidated accounting documents and reporting, as well as experience as "manager in charge of drawing up the corporate accounting documents"), who supported the Committee's activities, also acting as the party taking the minutes of meetings.

The Board of Statutory Auditors is asked to participate in all meetings of the Committee.

Functions

The Committee assisted the Board in carrying out the tasks assigned to the latter with regard to internal audit issues, by having access to all necessary corporate information and functions.

The Committee carries out all tasks set out in the Code, i.e.: a) together with the manager in charge of drawing up the corporate accounting documents and having consulted with the statutory auditor and the board of statutory auditors, it assesses the correct use of accounting policies and, in case of groups, their uniformity with regard to the preparation of the consolidated financial statements; b) it expresses opinions on specific aspects concerning the identification of the main corporate risks; c) it evaluates the periodic reports on the assessment of the internal audit and risk management systems and those of significant importance prepared by the internal audit function; d) it monitors the autonomy, adequacy, efficacy and effectiveness of the internal audit function; e) where it deems necessary, it asks the internal audit function to carry out controls on specific operating areas, by notifying this to the chairman of the board of statutory auditors; f) it reports to the board on its activity and the adequacy of the internal audit and risk management system at least on a half-yearly basis, at the time of approval of the annual and half-yearly financial reports; and g) it supports, through suitable investigations, the assessments and decisions of the Board on the management of risks deriving from prejudicial events that the Board has become aware of.

In this context, the Committee receives the following information:

- (i) from the internal audit manager, the draft audit plan to be submitted to the approval of the Board of Directors, as well as the periodic report on the results obtained from the assessments made;
- (ii) from the manager in charge of drawing up the corporate accounting documents, a report concerning the activities carried out in order to ensure correctness, completeness and operating efficiency of the administrative and accounting procedures necessary to adequately prepare the separate and consolidated financial statements;
- (iii) from the director responsible for the internal audit and risk management system, the report on the implementation of the Guidelines for the internal audit and risk management system and on the adequacy and efficacy of the System as a whole, as well as any reports on specific problems emerged during its activities.

Moreover, in compliance with the said guidelines, meetings with the director responsible for the internal audit and risk management system of the subsidiary SIAS S.p.A. have also been planned.

During 2015, the Committee did not ask the internal audit function to carry out assessments on specific operational areas.

According to the procedure on transactions with related parties, the Committee is in charge of analysing, in advance and upon compliance with the requirements, any transactions with related parties, in order to support the Board's resolutions. In this area, in 2015 the Committee was asked to express its opinion on the agreements signed by the Issuer for the termination of the relationships with the General Manager and the Managing Director, who both resigned from their offices during the financial year.

To carry out its duties, the Committee uses corporate means and structures and can avail itself of external consultants, whose costs are to be borne by the Company. Consequently, as of today the Board of Directors has not considered the opportunity to approve a specific budget for the Committee.

11.0 INTERNAL AUDIT AND RISK MANAGEMENT SYSTEM

The Board of Directors is responsible for the internal audit and risk management system; thanks to the support given by the Committee, it identifies its policies and regularly assesses its suitability and effectiveness, ensuring that the main corporate risks are identified and managed in a manner coherent with the strategic objectives.

In order to monitor the achievement of the Group's strategies and purposes, the Boards of Directors of the investee companies alternatively include the Vice-Chairmen, the Managing Director and some Issuer's Directors who are expert in specific sectors.

Moreover, the "internal audit function" and the "manager in charge of drawing up the corporate accounting documents", as well as the "Project 231" and the "Control model 262" contribute to safeguarding the principles of proper and efficient management. These are described in detail in the following sections.

With regard to above, the Board, as part of the usual annual assessment made in February 2016, acknowledged that the internal audit and risk management system is adequate and effective in order to identify, assess, manage and monitor the risks, having taken into account the risk profile and the characteristics of the Company and the segments in which the Group operates.

With specific regard to the main features of the existing risk management and internal audit systems concerning the (consolidated) financial reporting process, if applicable, reference is made to Annex 1.

11.1. DIRECTOR RESPONSIBLE FOR THE INTERNAL AUDIT AND RISK MANAGEMENT SYSTEM

In June 2013, following the renewal of the Management Body, the Director Luigi Bomarsi was appointed as director responsible for the internal audit and risk management system. Mr. Bomarsi,

together with the Audit and Risk Committee, reviewed the identification, assessment and monitoring system of the risks to which the Company and the Group are exposed, as part of specific meetings that were also attended by the members of the Board of Statutory Auditors.

This activity, which followed the one carried out during the previous administrative appointment, was divided into four different stages: i) to define strategic objectives; ii) to identify risks; iii) to evaluate risks; and iv) to carry out control and monitoring activities.

The risks that have been identified were subsequently classified into uniform categories.

An assessment of the "probability" that each risk occurs has been made, as well as of the "impact" that each risk could have on the achievement of strategic objectives. The said assessment was also made in terms of "pertinence" (risk in case there are no control activities aimed at reducing corporate risks) and "residual character" (risk that remains even after the management has carried out the activities in order to reduce it). A significant decrease of the "inherent" risk emerged from this analysis (from medium-high to medium-low in terms of "residual" risk).

In August 2013, the said assessment, in line with previous Board's resolutions, was shared by the Management Body in office, which approved the definition of the type and level of risk that is compatible with the strategic objectives of the Company.

The director responsible for the internal audit and risk management system periodically conducted additional surveys. The last of these (completed in February 2016 and reported to the Audit and Risk Committee and the Board of Directors), resulted in a review of the "risk assessment" by identifying two new risks in the categories "external" and "financial" risks, relating (i) to the possible development of business abroad and (ii) to the new regulations that will govern the management of banking crises from 1 January 2016.

With regard to above, the appointed Director receives the reports on the internal audit and risk management system from the subsidiaries (excluding SIAS S.p.A. and its subsidiaries, due to the reasons detailed in paragraph 4.3) on a quarterly basis, in order to assess compliance with the internal audit provisions set out by any applicable law and regulation.

11.2. INTERNAL AUDIT MANAGER

Starting from November 2012 and based on the resolution adopted by the Board in office at that time, Mr. Alberto Carnevale Miino of Protiviti S.r.l. was appointed as "internal audit manager", upon proposal of the "director responsible for the internal audit and risk management system" and having obtained the positive opinion of the Audit and Risk Committee, as well as the opinion of the Board of Statutory Auditors. As part of its institutional tasks, Protiviti S.r.l. already provides support to the activities of the "manager in charge of drawing up the corporate accounting documents" and the Supervisory Body.

The professional profile of Mr. Carnevale was considered suitable and qualified in order to carry out his tasks, given his deep knowledge in internal audit matters acquired by following the

implementation/execution of internal audit activities with leading Italian companies (some of which listed) on behalf of the leading company Protiviti S.r.l..

With regard to his task, the "internal audit manager" - who is in charge of all of the duties set out by the Code - prepared the "2013-2015 Audit Plan" (that fully entered into force as of 1 January 2013), which identifies the areas/processes subject to assessment and monitoring, also taking into account the results from i) the risk assessment activities carried out in 2012; ii) the analysis of high risk areas/processes carried out with the management; and iii) the assessments made in previous financial years with regard to the provisions set out in Law no. 262/2005 and in Legislative Decree no. 231/2001.

Based on the relevance of the risks, the priorities of action and the audit activities were defined, by identifying the companies, processes and systems, as well as the type of audit actions and objectives and the timescales of each Plan intervention.

The audit plan (which also includes the parent company ASTM, the subsidiaries SIAS S.p.A., Sineco S.p.A., Igli S.p.A. and possible meetings with the internal audit manager of the subsidiary SIAS, which leads the Group motorway sector), having consulted with the Audit and Risk Committee, the Board of Statutory Auditors and the director responsible for the internal audit and risk management system, was approved in December 2012 by the Board in office at that time and subsequently shared and confirmed in August 2013 by the Board in office.

The internal audit manager was granted an annual gross remuneration, as well as an economic fund amounting to EUR 30 thousand, which can be integrated by the Chairman and/or the Managing Director upon request of the interested party and subject to the approval of the Board.

As set out by the Code, the "internal audit manager" periodically reported on the results of the assessments conducted to the Chairman of the Board of Directors, the Board of Statutory Auditors, the Audit and Risk Committee and the director responsible for the internal audit and risk management system. Updated information on the progress of the activities carried out was provided to the Board. In March 2015, in line with the activities carried out in the previous years, the Board approved the work programme for FY 2015 as part of the "2013-2015 Audit Plan". This programme obtained the favourable opinion of the Audit and Risk Committee, having heard the Board of Statutory Auditors and the director responsible for the internal audit and risk management system.

By means of a Board resolution dated 22 December 2015, on obtaining the opinion of the Audit and Risk Committee and consulting with the Board of Statutory Auditors, Amelia Celia, a Group Executive, was put in charge of the function (replacing Alberto Carnevale Miino, who announced his intention, because of personal reasons due to the needs of his family, to resign the office as at 31 December 2015). Ms. Celia has suitable professional experience in the area of auditing, having acquired significant expertise in leading listed Italian and international groups and consolidating, over the years, considerable experience in various industrial sectors, including manufacturing and consumer goods, also with regard to mapping main company processes and the assessment of related risks.

The internal audit manager was granted an annual gross remuneration, as well as an economic fund amounting to EUR 30 thousand, which can be integrated by the Chairman and/or the Managing Director upon request of the interested party and subject to the approval of the Board.

In February 2016 the Board - after sharing with the Audit and Risk Committee, consulting with the Board of Statutory Auditors and the director responsible for the internal audit and risk management system - approved the new "2016-2018 Audit Plan" and the related work programme planned for FY 2016, drawn up by the new "internal audit manager".

11.3. ORGANISATIONAL MODEL pursuant to Legislative Decree no. 231/2001

With regard to the "Administrative responsibility of Companies", the "Project 231" - which was carried out during 2004 - aimed at analysing and adapting the organisational, management and control instruments of the Company and its significant subsidiaries to the requirements set out in Legislative Decree no. 231/2001.

With regard to the above-mentioned aspects, both ASTM and the main Group Companies adopted - following specific resolutions - the "organisational, management and control models pursuant to Legislative Decree no. 231/01" and the related "Code of Ethics and Code of conduct". Moreover, a disciplinary system was created to punish failure to comply with the provisions and principles contained in the said documents.

The models adopted comply with the principles set out in the "Confindustria Guidelines" - which were approved in March 2002 and are considered by the Ministry of Justice as being adequate to achieve the purpose set out in art. 6, paragraph 3 of Legislative Decree no. 231/01 - and were considered compatible, by the related management bodies, with the achievement of the objectives set out in the regulations on the subject.

The Supervisory Bodies were appointed upon the implementation of the said "Project 231" and are responsible for monitoring the function, effectiveness and observance of the "Models" and for updating them. The Bodies are composed of three members (one of whom is the Chairman) who, according to independent judgement principles, report directly to the Board.

Each Body – whose members remain in office for a period similar to that of the Management Body – sets the rules for its own operations and prepares proper regulations.

In carrying out their duties, the Supervisory Bodies work with Protiviti S.r.l., a major consulting firm that supports them in the periodic assessment procedures established by them.

In 2009, following the analysis carried out by the Supervisory Body, the Board updated the organisational model and the Code of Ethics, in the light of the progressive expansion of the scope of application of Legislative Decree no. 231/2001.

In particular, the analysis substantially focused on some specific cases, such as: i) market abuse, i.e. "*insider trading*" and "*market manipulation*"; ii) crimes of receiving stolen goods, money laundering, use of criminal money or stolen goods; iii) cyber attacks and unlawful processing of data; iv)

transnational crime; and v) offences connected with the breach of rules concerning accident prevention, hygiene at work and safety of workers.

Following the risk assessment, the adequacy of the organisational model adopted by the Company with regard to the risks described in points i), ii) and iii) above was confirmed. As regards the crimes described in point iv), it was acknowledged that the activities carried out by the Issuer are not characterised by risk profiles, for which there are valid reasons to expect that such crimes are committed in its interest or benefit.

The adjustment process – which also took into account the provisions contained in the new "Confindustria Guidelines" published in March 2008 and approved by the Ministry of Justice – focused on the implementation of the measures concerning safety and hygiene at work.

In February 2011, the Board approved a further update of the above-mentioned documents with regard to the offence of "*soliciting not to make statements or to make untrue statements to the judicial authority*", since the other types were considered as being less probable ("organised crime offences", "offences against the industrial and commercial sectors", "copyright infringement offences").

As a result of a further analysis carried out with the support of the consulting firm Protiviti S.r.l., the Board i) in August 2012 and with reference to the so-called "offences against the environment" that have been introduced by Legislative Decree no. 121/2011, came to the conclusion that the only activity that can be subject to remarks (although irrelevant in the light of the existing control structures) is the one related to the management of ozone-damaging substances that may be contained in the centralised air conditioning system of corporate premises, while ii) in November 2012 and with regard to the "employment of third-country nationals residing without authorisation" (that has been introduced by Legislative Decree no. 109/2012), it deemed it necessary to update the organisational model and the Code of Ethics, by strengthening the ethic related to relationships with employees and by setting out an explicit condemnation of all forms of irregular work.

Afterwards, in March 2014 and with the favourable opinion of the "Supervisory Body", the Board approved a new update of the organisational model and the Code of Ethics, following the introduction into Legislative Decree no. 231/2001 according to Law dated 6 November 2012, of the "*corruption in the private sector*" crime, while it did not establish any risk profile with regard to the crime of "*malfeasance in public office with regard to giving or promising benefits*".

Finally, in February 2015, (i) a further update of the Organisational, management and control model of the Company was carried out in order to come into line with some indications included in the last edition of the Confindustria Guidelines, as approved by the Ministry of Justice in July 2014; (ii) some decision-making protocols/administrative-accounting procedures were reviewed and a new protocol concerning relationships with the Public Administration was implemented, pursuant to the general principles of the Group.

The Issuer's Body, whose members are the Director Cesare Ferrero (Chairman), the Standing Auditor Piera Braja and Roberto Sanino, held 5 meetings that were attended by all members.

As part of its activities, the Body - which obtained general information also from the Supervisory Body of the subsidiary SIAS S.p.A. - focused its attention on the assessment of corporate procedures. Following this assessment, no observation or comments were made with regard to failure or error in their application.

As of today, the Board has not considered the opportunity of devolving to the Board of Statutory Auditors the functions of the Supervisory Body.

11.4. INDEPENDENT AUDITORS

Deloitte & Touche S.p.A., with registered office in Milan, Via Tortona 25, enrolled in the legal auditors' register at the Ministry of Economics and Finance, pursuant to Legislative Decree no. 39/2010, carries out regulatory audit activities for the Issuer, as mandated by the Shareholders' Meeting on 28 April 2009 for the financial years 2009 to 2017, upon justified proposal of the Board of Statutory Auditors.

11.5. MANAGER IN CHARGE OF DRAWING UP THE CORPORATE ACCOUNTING DOCUMENTS AND OTHER CORPORATE TASKS AND FUNCTIONS

Up to 30 July 2015, Mr. Graziano Settime, in his role as Administration and Financial Manager of the Issuer, covered the role of "manager in charge of drawing up the corporate accounting documents". In compliance with art. 21, paragraph 6 of the Articles of Association, he was assigned to the function by way of board resolution dated 10 June 2013, having consulted with the Board of Statutory Auditors.

Mr. Settime – who has extensive professional experience in administrative and financial matters and complies with the requirements of integrity required for the position of director – had the power to obtain from the heads of each corporate department any information relevant to carry out his duties, as well as the power to i) structure and organise - within his own activities - the human resources available; ii) talk to the board of directors and statutory auditors, including the participation *ad audiendum* in the Board's meetings held for the examination and approval of accounting documents; iii) talk to the Audit and Risk Committee and the Supervisory Body; iv) take part in the planning of information systems that have an impact on the economic and financial situation.

Moreover, the Board resolved upon the availability of a fund amounting to EUR 45,000 which could be integrated by the Chairman and/or the Managing Director upon the manager's request, with subsequent ratification by the Board.

On 30 July 2015 the Board, having obtained a positive opinion from the Board of Statutory Auditors, in compliance with the requirements of professionalism envisaged by the regulations in force and the Articles of Association, appointed Lucia Scaglione as the new manager in charge of drawing up the corporate accounting documents, who was assigned the powers and economic funds previously assigned to Mr. Settime.

As regards the activities carried out, during 2015, as in previous years, the manager monitored the functioning of the "control model 262", which was implemented in 2007 – according to a top-down approach – within ASTM and its main subsidiaries, in order to achieve compliance with administrative-accounting procedures concerning the tasks governed by art. 154-bis of the Consolidated Law on Finance.

Moreover, the implementation of the said model also entailed the appointment of specific managers by all Group companies involved.

With a view to the optimisation of controls within the funds made available to each Manager, the assessment of the correct application of the said procedures was carried out, like in previous years, with the help of Protiviti S.r.l., based on the plan drawn up by each single Company, according to which tests shall concentrate in the periods dedicated to the preparation of the financial statements and the half-yearly financial report. The results of these controls mainly confirmed the correct application of the administrative-accounting procedures under review.

The support provided by Protiviti S.r.l. was equal to 32 days/man (11 of which for the activities carried out within ASTM) – in addition to the commitment of Companies' employees – in line with the estimates.

As part of the procedures concerning the "control model 262", the Managers of all Group Companies transmitted any related "statement" and "certification" concerning annual and interim accounting documents.

11.6. COORDINATION BETWEEN THE PEOPLE INVOLVED IN THE INTERNAL AUDIT AND RISK MANAGEMENT SYSTEM

As described above, the functions and bodies that make up the Issuer's internal audit system report on the activities carried out in order to comply with their institutional tasks and the related results, according to the methods and deadlines set out by the related legal and regulatory provisions, as well as by the Code's recommendations providing for their creation.

Moreover, in March 2014 the Issuer, having taken into account the dedicated mapping carried out by a major consultancy firm, made an analysis of the relationships between the functions, with regard to their responsibility and operations, as well as the related information flows, in order to optimise the related system in a structured and efficient manner, for a timely monitoring and management of risks. At the end of these activities, on 6 March 2014 the Board of Directors codified the coordination in place between the various parties/bodies responsible for the function, approving the "Guidelines for the internal audit and risk management system".

12.0 DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

As from 1 January 2011 the procedure on transactions with related parties has entered into force. This procedure was approved by the Board on 26 November 2010 (and subsequently amended on 9

November 2012 and 6 March 2014) in compliance with the Consob Related Parties Regulation, having obtained the favourable opinion of a dedicated Committee, which is made up of all Independent Directors in office.

The Board of Statutory Auditors ascertained that the procedure is compliant with the said Regulation and acknowledged that it is adequate in order to ensure substantial and procedural transparency and correctness.

The procedure – which is available on the Company's website under the "governance" section, as well as on the Borsa Italiana's website – sets out i) the amounts that, based on specific materiality indexes, allow to identify transactions of lesser or greater importance; ii) the transactions that have been excluded and are not subject to the procedure set out for their approval, except for communication obligations towards Consob, if of greater importance; iii) the transactions carried out by subsidiaries other than SIAS or by subsidiaries of the latter, that shall be subject to approval of the ASTM Board, having heard the opinion of the Audit and Risk Committee.

This category includes:

- a) acquisition or disposal of real estate whose value is higher than EUR 1 million;
- b) merger transactions, division by acquisition or non-proportional division transactions, if a company (which represents related parties' interests that can be defined as significant, as set out in the procedure) takes part in the transaction;
- c) transactions other than those mentioned above, which have a single value higher than EUR 10 million (such as, by way of example only, acquisitions or disposals of equity investments, companies or business units, or granting of guarantees).

To this end, the management autonomy of the listed subsidiary SIAS remained unchanged, in line with the practice according to which the transactions of SIAS and its subsidiaries are neither analysed nor approved in advance.

For a correct implementation of the procedure within the ASTM Group, any relevant information and operating instructions have been immediately notified to the subsidiaries.

Moreover, for a proper management of the procedure, ASTM's related parties are recorded in a specific database created on the basis of the register of equity investments and statements made by the related parties.

As already mentioned above, the Audit and Risk Committee will give an opinion on the transactions with related parties, upon compliance with the requirements. For a proper functioning, a replacement system by age has been set out if some members are already involved in specific transactions.

In March 2014 the Board, having obtained the positive opinion of the Audit and Risk Committee (acting as Committee for Related Party Transactions) approved - as part of the three-year assessment activities recommended by Consob - to amend the procedure, in order to specify that in the case of duration contracts reference should be made to the total amount, while in the case of contracts with related parties it is not possible to opt for automatic annual renewal.

Any Director who has an interest - potential or indirect - in corporate transactions shall promptly and fully inform the Board, showing willingness to withdraw from the meeting or refrain from any discussion and related resolution, in case such interest is considered "relevant" by the other Directors. However, the Board has the power to take the most appropriate decisions in case transactions are carried out at normal market conditions - on the basis of independent experts' appraisals - or if the withdrawal from the meeting of the above-mentioned Directors when the resolution is taken gives reason to believe that the necessary constituent quorum may not be reached.

13.0 AUDITORS' APPOINTMENT

Pursuant to art. 26 of the Articles of Association, the Board of Statutory Auditors is made up of three Standing Auditors and three Substitute Auditors.

In order to ensure that a Standing Auditor and a Substitute Auditor are elected from the minority, the appointment of the Board of Statutory Auditors is carried out according to the lists submitted by the shareholders, in which the names of the candidates are listed and marked with a progressive number.

The list is made up of two sections: one for the candidates for the office of Standing Auditor and the other for the office of Substitute Auditor. In order to comply with current regulations on gender parity, the lists that, having taken into account both sections, have a number of candidates equal or higher than three should include candidates of both genders in the first two places of both the Standing Auditors' and the Substitute Auditors' sections.

Only shareholders who - alone or together with others - hold shares representing the shareholding in the share capital, as set out by law, have the right to submit lists: the legal title to the above-mentioned shareholding shall be proved according to the methods and timescales set out by law.

Each shareholder - as well as those shareholders belonging to the same group and those who adhere to a shareholders' agreement concerning Company's shares - cannot submit or vote more than one list, neither through a trust company nor a third party. Each candidate may be included in one list only or is declared ineligible.

Those candidates who do not comply with the requirements of integrity and professionalism established by law may not be included in the lists.

At least one Standing Auditor and one Substitute Auditor are chosen among those enrolled in the Auditors' Register and shall have exercised legal audit activities for not less than three years.

Those Auditors who do not comply with the said requirement are chosen among those who have three year's experience in:

- a) administration and control activities or executive duties for corporations with a share capital no lower than EUR 2 million; or
- b) professional or tenured university teaching activities in legal, economic, financial and technical-scientific subjects, with regard to the industrial, banking, transport services, logistics, technology

and IT sectors; or

- c) management functions at public institutions or administrations operating in the credit, financial, insurance, industrial, transport services, logistics, technology and IT sectors.

The outgoing auditors can be re-elected.

The submitted lists shall be filed at the registered office of the Company within the terms and according to the methods set out by current regulations. Such information is provided in the notice of call.

The declarations by which candidates accept their candidacy and represent that there are no reasons for their ineligibility and incompatibility, together with any document required by law, must be deposited with each list; they also confirm they comply with legislative and statutory requirements.

The list that does not comply with the above-mentioned provisions shall be considered as not submitted.

The procedure for the appointment of Auditors is described below:

1. two standing auditors and two substitute auditors are chosen from the list that obtained the highest number of votes at the meeting, according to the order in which they are listed in the sections;
2. the other standing auditor and substitute auditor are chosen from the second list that obtained the highest number of votes at the meeting, according to the order in which they are listed in the sections.

In the event of a tie between two or more lists, the eldest Auditors shall be elected until the maximum number of places available is achieved.

The Board of Statutory Auditors shall be chaired by the candidate proposed by the second list, who obtained the highest number of votes at the meeting; in the event of a tie between two or more lists, the provisions contained in the previous paragraph shall apply.

If the application of the above-mentioned procedure does not allow to comply with the gender parity regulations with regard to Standing Auditors, the ratio to be assigned to each candidate from the Standing Auditors' sections of each list shall be calculated, by dividing the number of votes of each list by the order number of each candidate. The candidate belonging to the most represented gender and with the lowest ratio among the candidates of all lists is replaced by the candidate belonging to the less represented gender and with the following highest order number in the same Standing Auditors' section of the list of the substituted candidate or, subordinately, in the Substitute Auditors' section of the same list of the substituted candidate (who, in this case, will hold the position of the replaced substitute auditor). If the candidates of different lists obtain the same ratio, the candidate belonging to the list with the highest number of auditors will be replaced or, subordinately, the candidate from the list with the lowest number of votes. With regard to the appointment of auditors who, for any reason, are not appointed according to the above-mentioned procedure, the Shareholders' Meeting takes resolutions according to legal majorities and in compliance with the regulations from time to time in

force with regard to gender parity.

The Auditor falls from office if he/she does not comply with legislative and statutory requirements.

In case of substitution of an Auditor, the substitute auditor belonging to the same list of the substituted auditor shall be appointed, so as to comply with the regulations from time to time in force with regard to gender parity and composition of the board of statutory auditors. If the above-mentioned replacement does not allow to comply with the current regulations on gender parity, the Shareholders' Meeting shall be convened as soon as possible so as to comply with such regulations.

In case of integration of the Board of Statutory Auditors following termination of office of one of its members for any reason, the Meeting shall resolve according to the simple majority principle and ensure representation in the Board to the minority, as well as compliance with the current regulations on gender parity.

14.0 COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS (pursuant to art. 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance)

The Board of Statutory Auditors was appointed by the Ordinary Shareholders' Meeting on 22 April 2014 for the financial years 2014-2015-2016 (i.e. until the approval of the financial statements as at 31 December 2016), according to the 2 filed lists:

- list no. 1 (representing the majority) submitted by the shareholder Argo Finanziaria S.p.A. unipersonale, holding 53.386% of the share capital at the date of submission of said list, which includes 2 candidates for the office of Standing Auditor (Piera Braja and Ernesto Ramojno) and 2 candidates for the office of Substitute Auditor (Roberto Coda and Annalisa Donesana);
- list no. 2 (representing the minority) submitted by the shareholder Assicurazioni Generali S.p.A., holding 4.341% of the share capital, which includes 1 candidate for the office of Standing Auditor (Marco Fazzini) and 1 candidate for the office of Substitute Auditor (Massimo Berni). Upon filing, this list also included the statement certifying that no relations existed with reference shareholders, as set out by the said regulatory provisions issued by Consob, implementing art. 148 of the Consolidated Law on Finance.

According to Consob's provisions set out in Resolution no. 18775 of 29 January 2014, the minimum shareholding in the share capital required in order to submit lists was equal to 2.5%.

All Auditors confirmed compliance with the independence requirements set out by the regulations and the Articles of Association. Marco Fazzini was confirmed as the Chairman of the Board, selected by minority shareholders.

With regard to voting, out of a total of 68,893,366 shares present (equal to 78.288% of the share capital), the list representing the majority was voted by 48,627,395 shares, while the list representing the minority was voted by 20,235,428 shares. For both lists, the votes were as follows: 29,540 shares against, 3 shares abstained and 1,000 non-voting shares.

For each vote, the list with the names of the shareholders and their votes is attached to the meeting's

minutes of 22 April 2014, which have been published on the Company's website under the "governance" section.

Some short bibliographical notes on the members of the Board of Statutory Auditors are detailed below. The related curricula, together with their lists, are available on the website (under the "governance" section):

Marco Fazzini: (born in Florence on 12 October 1974) - He obtained a degree in Business Economics at the University of Florence. He is enrolled in the Register of Chartered Accountants and in the Register of Auditors. He is Professor of Quantitative Methods and Assessments at Università Europea (European University) in Rome and Professor of Extraordinary Transactions at the University of Florence. He has also published several essays and articles.

Offices held in other companies: Chairman of the Board of Statutory Auditors: Compagnia Aeronautica Italiana (CAI) S.p.A.; Standing auditor: Galileo TO Process Equipment S.r.l.; Sole Auditor: Firenze Convention Bureau S.c.r.l., Bluclad S.r.l.

Piera Braja: (born in Turin, on 15 June 1964) - She obtained a degree in Economics and Business at the University of Turin. She is a chartered accountant mainly providing consultancy services to trading companies in corporate and tax matters, with regard to both ordinary operations and extraordinary and reorganisation transactions. She is enrolled in the Register of Auditors and is technical adviser at the Court of Turin. Moreover, she is a member of control bodies of joint-stock companies, foundations, associations and entities.

Offices held in other companies: Chairman of the Board of Statutory Auditors: Sait Finanziaria S.p.A., Sait Abrasivi S.p.A., Farid Industrie S.p.A. (Farid European Group), Sed S.r.l. (A2A Group), Cerrato S.r.l.; Standing auditor: CA.NOVA S.p.A. (GTT Group), Feg Brivio S.p.A. (Farid European Group), Feg S.p.A. (Farid European Group), Finpat S.p.A., Ischia Geotermia S.r.l. (CIE Group), Immobiliare Isober S.p.A., Jacobacci & Partners S.p.A., O.M.T. - Officine Meccaniche Torinesi S.p.A., SOFITO S.p.A.

Ernesto Ramojno: (born in Turin on 5 July 1949) - He obtained a degree in Economics and Business at the University of Turin. He is a chartered accountant and holds the position of member of the Board of Statutory Auditors for important companies; thanks to these activities, he has extensive knowledge of corporate management matters, with particular reference to the corporate, tax and banking sectors.

Offices held: Chairman of the Board of Statutory Auditors: Accornero Mollificio S.p.A., Aedis Immobiliare S.r.l., Altav S.r.l., D. Print S.p.A., Ondulato Torinese S.p.A., Rieter Design S.r.l. in liquidation, S.T.E. Soluzioni Tecniche Energetiche S.p.A., Sereco Piemonte S.p.A., Simta S.p.A., Sofir Felt Gestione Immobiliare S.p.A., STS Acoustics S.p.A., TRM S.p.A.; Standing auditor: Alessandria Calore S.r.l., Barricalla S.p.A., C.I.E. S.p.A., Concilium S.p.A., Energia e Territorio S.p.A., Environment Park S.p.A., Ferrero S.p.A., Fiat Chrysler Risk Management S.p.A., Ivrea 24 Abitare Sostenibile S.p.A., Rosso S.p.A., Sait Abrasivi S.p.A., Sait Finanziaria S.p.A., Sitalfa S.p.A.; Sole Director: Foam Immobiliare S.p.A.; Director Shareholder: Giomar s.s., Lucy s.s..

Massimo Berni: (born in Florence on 13 September 1949) – He obtained a degree in Economics and Business at the University of Florence. He is a chartered accountant and he is technical adviser at the Court of Florence, where he was appointed as receiver, judicial receiver and liquidator in bankruptcy procedures.

Offices held: Chairman of the Board of Statutory Auditors: Rosss S.p.A., Moka Arra S.p.A.; Standing auditor: A.F.S. S.p.A. (Azienda Farmacie e Servizi), Gualfonda S.p.A.

Roberto Coda: (born in Turin on 3 September 1959) - He obtained a degree in Economics and Business at the University of Turin. He is a chartered accountant, focusing in particular on tax and corporate matters. He is specialised in corporate reorganisations, mergers, acquisitions, international tax planning. He is a member of the Board of Directors and Board of Statutory Auditors of industrial and utility companies. He provides assistance to companies and family groups for equity regulation and succession planning.

Offices held: Director: AFI, Arkavita S.r.l., Budo S.r.l., Consorzio Area PD, GI Pharma S.r.l., Investinfuture, Logico S.r.l., New Bravo Seven; Standing auditor: Aida Ambiente S.r.l., Autostrade Bergamasche S.p.A., Aurora Uno S.p.A., Arka Technologies S.r.l., Chieppa S.p.A., Confservizi Piemonte Valle d'Aosta, Coopcasa Piemonte, Cooperativa Giuseppe di Vittorio, Cooperativa Musetta, Cooperativa Quadrifoglio 91, Cooperativa San Pancrazio, Consorzio Valli di Lanzo, Cts Solutions S.r.l., De.Ga. S.p.A., Electro Power System S.p.A., Fast-Loc S.p.A., Finsoft S.r.l., Gm S.r.l., Immobiliare Ropa S.p.A., Itinera S.p.A., Invicta S.p.A., Jazz S.p.A., La Quercia - Società Cooperativa Edilizia, Prima Electro S.p.A., Risorse Idriche S.p.A., Segreto Fiduciaria S.p.A., Ste S.p.A., Seven S.p.A., Sicogen S.r.l., S.I.I. S.p.A., Smat S.p.A.; Sole Auditor: CIAC S.c.a.r.l.

Annalisa Donesana: (born in Treviglio - BG - on 9 June 1966) - She obtained a degree in Economics and Business at the Bocconi University of Milan. She is a chartered accountant and has deep knowledge of tax matters, with particular reference to international tax law and listed companies. She is a consultant in international reorganisation transactions of leading groups operating in the real estate, plant engineering, food, chemical and fashion-luxury sectors.

Offices held: Standing auditor: SIAS S.p.A., DeA Capital Real Estate S.p.A., DeA Capital S.p.A., A2A Energia S.p.A., Banca del Mezzogiorno - Mediocredito Centrale S.p.A., IDeA Fimit SGR, Casa di Cura San Pio X S.r.l.

With regard to the above, Table 3 (included in the Appendix) provides a summary of the data concerning the Board of Statutory Auditors.

During 2015, the Board of Statutory Auditors held 10 meetings which were attended by all members, who all took part also in the 9 Board of Directors' meetings.

The duration of each meeting varied according to the issues dealt with.

With regard to its institutional tasks and the frequency of its assessments, in 2016 the Board of Statutory Auditors forecasts to meet at least on a quarterly basis. Two meetings have been held since

the beginning of the financial year.

Compliance with the independence requirements (that was stated upon filing of the lists and upon acceptance of the candidature) was positively assessed following the renewal by both the Board of Statutory Auditors and the Board of Directors, as well as during the usual annual assessments made in February 2016.

If requirements are met, the Auditors shall promptly provide information on the transactions in which - on own account or on behalf of third parties - they have an interest, as provided for by the Code.

The Board of Statutory Auditors supervised the independence of the Independent Auditors, by assessing the nature and entity of the services, other than the audit, provided to the Issuer and its subsidiaries and reporting on this in the annual report to the Shareholders' Meeting, pursuant to art. 153 of the Consolidated Law on Finance.

Within their functions, the Auditors have acquired information also through meetings with the Independent Auditors' representatives, the Boards of Statutory Auditors of the subsidiaries SIAS (which, as is known, is listed on the MTA), Sina S.p.A., Sineco S.p.A. and Igli S.p.A., the Supervisory Body (as stated above, one member of the Board of Statutory Auditors is a member of the Body) and by taking part in the meetings of the Remuneration Committee and the Audit and Risk Committee (also in its function as the Related Parties Committee).

15.0 RELATIONSHIPS WITH SHAREHOLDERS

In order to make the access to information quicker and easier, the Issuer pays particular attention to the creation and updating of its website, with particular reference to "financial information" and "corporate governance".

Moreover, the website contains a descriptive profile of the Group and its investee companies, as well as the financial statements, the half-yearly financial report, the intermediate management reports of the Issuer, the Articles of Association, the Regulations for Shareholders' Meetings, press releases and the reports on the issues discussed at the Shareholders' Meetings, including notice of call and related minutes.

For the appointment of Corporate Bodies, the lists of candidates, together with personal and professional details, are also published.

In any case, during the financial year the Chairman and the Managing Director – in compliance with the procedure concerning the disclosure of documents and information on the Issuer – have taken any necessary action so to create and promote dialogue with the shareholders and institutional investors, based on the comprehension of reciprocal roles and functions.

So to make sure that these relationships are professionally handled and managed and taking into

account the principles contained in the "*Guidelines for disclosure of information to the market*", the investor relations' supervisor carries out intense and constant information activities with regard to the results, as well as the growth and development prospects of the Issuer and the Group, by means of both personal meetings and institutional meetings with investors and analysts, both in Italy and abroad.

The investor relations' supervisor, Stefano Viviano, may be contacted at the following email address: investor.relations@astm.it.

With regard to their roles, the Delegated Bodies and the investor relations' supervisor avail themselves of the Board's and Corporate Secretariats, especially as regards communications to the relevant Authorities and shareholders.

16.0 SHAREHOLDERS' MEETINGS (pursuant to art. 123-bis, paragraph 2, letter c) of the Consolidated Law on Finance)

In the light of the Articles of Association and the reference legal and regulatory provisions, those persons who sent the Company the legitimation notice of the qualified broker – based on the records obtained at the end of the accounting day of the seventh open market day before the date of the Meeting – can take part in the Meeting and express their vote.

Those who are entitled to vote can be represented at the Meeting by written proxy or proxy sent electronically, in compliance with current regulations.

The Chairman shall ascertain the validity of proxies.

The electronic notification of the proxy shall be made by using the dedicated section of the Company's website or the dedicated e-mail address, according to the methods described in the notice of call.

For each Shareholders' Meeting, the Company can appoint – by specifying it in the notice of call – a person to whom the shareholders can give a proxy with voting instructions on one or all issues on the agenda, according to the methods and terms set out by law and regulations. The proxy is valid only with regard to those issues for which voting instructions have been given.

The Meeting is chaired by the Chairman of the Board of Directors. In case of absence or impediment, it is chaired by a Vice-Chairman or, if both are absent, by another person appointed by the Meeting.

The Chairman appoints the Secretary with the approval of the Meeting and, if necessary, two scrutineers, by choosing them among the shareholders with voting right or their representatives.

In the cases provided for by law, or if deemed appropriate by the Chairman of the Meeting, the minutes are prepared by a Notary Public appointed by the Chairman. In this case, it is not necessary to appoint a Secretary.

The (ordinary and extraordinary) Shareholders' Meeting is duly convened and takes resolutions according to the majorities set out by current regulations.

As of today, the Issuer does not provide for the possibility of taking part in the Meetings by means of audiovisual connection systems, electronic vote or voting by correspondence.

With regard to the annual Shareholders' Meeting held on 15 April 2015, the shareholder Argo Finanziaria S.p.A. unipersonale did not submit any proposed resolutions. Proposed resolutions were formulated on the issues on the agenda directly by the Board of Directors in the illustrative reports prepared for such purposes for the shareholders.

Regulations for Shareholders' Meetings

In 2001, the Issuer adopted the Regulations for Shareholders' Meetings - in line with the model issued by ABI and Assonime - to enable the orderly and proper functioning of meetings.

On 17 November 2010, upon proposal of the Board and in line with the provisions contained in the Articles of Association, the Ordinary Shareholders' Meeting approved to align the regulations on its functioning with Legislative Decree no. 27 of 27 January 2010 with regard to the exercise of some rights of listed companies' shareholders.

More specifically, the said Regulations govern the operating methods for the Meeting's activities and the exercise of participants' rights. In this regard, the Chairman opens the discussion and calls those members who requested to speak according to a priority order; if necessary, the Chairman may decide that speeches shall be booked in writing, with indication of the subject.

After having provided any personal detail and the number of votes represented - each person who can take part in the meeting has the right to report on each of the issues on the agenda, make observations as well as proposals.

Taking into account the subject and relevance of each single issue - as well as the questions received before the Meeting and the number of persons who want to speak - the Chairman may predetermine the duration of speeches and answers by notifying the participants, so to make sure that works are completed within one single meeting.

For further information on the rules governing the functioning of the Issuer's meetings, reference should be made to Regulations' provisions published on the website (under the "governance" section).

Information to the Shareholders

At the meetings, the Board provides the shareholders with information on the Issuer, in compliance with the regulations on insider trading information.

During the meetings, the Chairman and the Managing Director ensure that the shareholders are provided with all information necessary or useful for the adoption of resolutions.

More specifically - on the basis of the documents, concerning the points on the agenda, that are given to all participants - they explain the main features of any transaction and resolution that shall be examined and approved by the shareholders. Moreover, they are available to talk and discuss on the requests made by the participants.

13 Directors took part in the Annual Meeting held on 15 April 2015.

Changes in capitalisation and shareholding structure

The Directors believe that the current percentages for the exercise of the actions and rights for the safeguard of minorities are in line with the current market capitalisation of the ASTM security.

17.0 FURTHER CORPORATE GOVERNANCE POLICIES (pursuant to art. 123-bis, paragraph 2, letter a) of the Consolidated Law on Finance)

No further corporate governance policies are reported than those detailed in previous paragraphs and currently applied by the Issuer, except for the obligations set out by legal and regulatory provisions.

18.0 CHANGES OCCURRED AFTER YEAR END

After the end of FY 2015, no changes occurred in the Issuer's governance structure. As stated above, the only exception was the resignation of Pierluigi Davide from the position of Director, effective from 3 February 2016.

Tortona, 10 March 2016

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TABLES

TABLE 1: INFORMATION ON OWNERSHIP STRUCTURE

As at 10 March 2016

SHARE CAPITAL STRUCTURE				
	No. of shares	% compared to s.c.	Listed	Rights and obligations
Ordinary shares	88,000,000 ⁽¹⁾	100	MTA (FTSE Italia Mid Cap Index)	
Shares with more than one vote	=	=	=	=
Shares with limited voting right	=	=	=	=
Shares without voting right	=	=	=	=
Other	=	=	=	=

- (1) Pursuant to articles 2359-bis and 2357-ter of the Italian Civil Code, the voting right has been suspended for 5,206,450 treasury shares held by the Company and 21,500 shares held, as at today's date, by the subsidiary ATIVA S.p.A..

SIGNIFICANT EQUITY INVESTMENTS IN THE SHARE CAPITAL			
Declarant	Direct shareholder	% share of ordinary share capital	% share of voting share capital
Aurelia S.r.l.	Aurelia S.r.l.	0.624	0.624
	Argo Finanziaria S.p.A. unipersonale	53.386	53.386
	Total Group	54.010	54.010
ASTM S.p.A.	ASTM S.p.A.	5.916 voting right suspended, pursuant to art. 2357-ter of the Italian Civil Code	5.916 voting right suspended, pursuant to art. 2357-ter of the Italian Civil Code
	Ativa S.p.A.	0.024 voting right suspended, pursuant to art. 2359-bis of the Italian Civil Code	0.024 voting right suspended, pursuant to art. 2359-bis of the Italian Civil Code
	Total Group	5.940	5.940
Lazard Asset Management LCC	Lazard Asset Management LCC	4.953	4.953
Assicurazioni Generali S.p.A.	Generali Italia S.p.A.	2.357	2.357
	Alleanza Assicurazioni S.p.A.	1.982	1.982
	Total Group	4.339	4.339

TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES

Office held	Members	Board of Directors											Audit and Risk Committee		Remuneration Committee	
		Year of birth	Date of first appointment *	In office since	In office until	List **	Executive	Non-executive	Independent, pursuant to the Code	Independent, pursuant to Consolidated Law on Finance	No. of other offices ***	(*)	(*)	(**)	(*)	(**)
01) Chairman	G.M. GROS-PIETRO	1942	20/04/2012	10/06/2013	Approval of 2015 financial statements	M	x				2	9/9				
02) Vice-Chairman	D. GAVIO	1958	24/03/1994	10/06/2013	Approval of 2015 financial statements	M	x				=	8/9				
03) Vice-Chairman	M. GAVIO	1967	28/04/2010	10/06/2013	Approval of 2015 financial statements	M	x				1	8/9				
04) Managing Director	A. RUBEGNI	1951	10/06/2013	10/06/2013	Approval of 2015 financial statements	M	x				3.5	8/9				
05) Director	S. BARIATTI	1956	10/06/2013	10/06/2013	Approval of 2015 financial statements	M		x			1	8/9				
06) Director	C. BIMA	1960	10/06/2013	10/06/2013	Approval of 2015 financial statements	M		x	x	x	1	9/9			3/3	M
07) Director •	L. BOMARSI	1959	06/12/2012	10/06/2013	Approval of 2015 financial statements	M		x			=	9/9				
08) Director	F. DEZZANI	1941	10/06/2013	10/06/2013	Approval of 2015 financial statements	M		x	x	x	2	8/9	6/6	C		
09) Director	C. FERRERO	1936	04/05/2001	10/06/2013	Approval of 2015 financial statements	M		x		x	3	8/9				
10) Director	G. GAROFANO	1944	10/05/2007	10/06/2013	Approval of 2015 financial statements	M		x	x	x	2	8/9	6/6	M		
11) Director	B. POGGIALI	1963	10/06/2013	10/06/2013	Approval of 2015 financial statements	M		x	x	x	2	9/9	3/6	M		
12) Director	L. ROTH	1940	28/04/2010	10/06/2013	Approval of 2015 financial statements	M		x	x	x	3	6/9			3/3	M
13) Director	S. VIVIANO	1976	28/04/2010	10/06/2013	Approval of 2015 financial statements	M	x				2	8/9				
14) Director	M. WEIGMANN	1940	10/06/2013	10/06/2013	Approval of 2015 financial statements	M		x	x	x	4	9/9			3/3	C

DIRECTOR WHO CEASED TO HOLD OFFICE DURING THE FINANCIAL YEAR UNDER REVIEW

Managing Director	A. SACCHI	1960	26/03/1991	10/06/2013	28/09/2015	M	x				=	4/6				
DIRECTOR WHO CEASED TO HOLD OFFICE DURING FY 2016																
Director	P. DAVIDE	1972	28/09/2015	28/09/2015	03/02/2016	M		x			=	2/3				

No. of meetings held during FY 2015	Board of Directors: 9	Audit and Risk Committee: 6	Remuneration Committee: 3
Quorum required in order for minorities to submit lists to appoint one or more members (pursuant to art. 147-ter of the Consolidated Law on Finance): 2.5%			

NOTES

- This symbol indicates the "director responsible for the internal audit and risk management system".
- ◇ This symbol indicates the main supervisor for the Issuer's management (Chief Executive Officer or CEO).
Appointed Managing Director by way of Board resolution of 28 /09/2015, replacing the resigning Alberto Sacchi
- * "Date of first appointment of each Director" means the date on which the Director has been appointed for the very first time in the Board of Directors of the Issuer.
- ** This column indicates the list of origin of each Director ("M": majority list; "m": minority list).
- *** This column shows the number of offices held as director or auditor in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large enterprises. The annexed list shows these companies and indicates whether these belong, or not, to the group that is under the Issuer's control or of which the Issuer is part, based on the data recorded in January 2016, with reference to calculation parameters and criteria of the "procedure on the limitation on total mandates" adopted by the Issuer.
- (*) This column shows the percentage of directors' attendance to the meetings of the Board of Directors and the Committees, respectively (no. of attendances/no. of meetings held during the term of office by the interested party).
- (**) This column shows the Director's office in the Committee: "C": Chairman; "M": Member.

Offices as director or auditor held by some Directors in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large enterprises.

Member	Company	Office held
S. Bariatti	Società Iniziative Autostradali e Servizi S.p.A. ⁽¹⁾ Banca Monte dei Paschi di Siena S.p.A.	Board Chairman Director
C. Bima	Unicredit Leasing S.p.A.	Director
L. Bomarsi	Società Autostrada Ligure Toscana S.p.A. ⁽¹⁾	Director
F. Dezzani	Banca del Piemonte Air Liquide Italia S.p.A.	Vice-Chairman of Board of Directors Chairman of the Board of Statutory Auditors
C. Ferrero	Iveco S.p.A. Ferrero S.p.A. Ersel Investimenti S.p.A.	Director Chairman of the Board of Statutory Auditors Chairman of the Board of Statutory Auditors
G. Garofano	Industria e Innovazione S.p.A. Miroglio S.p.A.	Board Chairman Director
D. Gavio	Società Iniziative Autostradali e Servizi S.p.A. ⁽¹⁾ Società Autostrada Torino-Alessandria-Piacenza S.p.A. ⁽¹⁾ Società Autostrada Ligure Toscana S.p.A. ⁽¹⁾ Aurelia s.r.l. ⁽²⁾	Vice-Chairman of Board of Directors Vice-Chairman of Board of Directors Vice-Chairman (vicarious) & E.C. member Director
M. Gavio	Aurelia s.r.l. ⁽²⁾ Bonifiche Ferraresi S.p.A. Società Agricola	Vice-Chairman of Board of Directors Director
G.M. Gros-Pietro	Intesa Sanpaolo S.p.A. Edison S.p.A.	Chairman of the Management Board Director
B. Poggiali	Snai S.p.A. Falck Renewables S.p.A.	Director Director
L. Roth	Pirelli S.p.A. Alba Leasing S.p.A. Eurovita S.p.A.	Director Board Chairman Director
A. Rubegni	Itinera S.p.A. Autostrade Lombarde S.p.A. Società di Progetto Brebemi S.p.A. Tangenziale Esterna S.p.A.	Board Chairman Director Director Director
S. Viviano	Energrid S.p.A. Tangenziale Esterna S.p.A.	Director Director
M. Weigmann	Buzzi Unicem S.p.A. Società Reale Mutua di Assicurazioni S.p.A. Italiana Assicurazioni S.p.A. (Reale Mutua Assicurazioni Group) Reale Immobili S.p.A. (Reale Mutua Assicurazioni Group) Banca Reale S.p.A. (Reale Mutua Assicurazioni Group) Auchan S.p.A.	Director Director and E.C. member Director Director Director Director

⁽¹⁾ Issuer's subsidiary

⁽²⁾ Issuer's parent company

TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

Board of Statutory Auditors									
Office held	Members	Year of birth	Date of first appointment *	In office since	In office until	List **	Independent, pursuant to the Code	Attendance to the Board's meetings ***	No. of other offices ****
Chairman	M. FAZZINI	1974	29/04/2011	22/04/2014	Approval of 2016 financial statements	m	x	10/10	4
Standing auditor	P. BRAJA	1964	22/04/2014	22/04/2014	Approval of 2016 financial statements	M	x	10/10	14
Standing auditor	E. RAMOJNO	1949	29/04/2011	22/04/2014	Approval of 2016 financial statements	M	x	10/10	28
Substitute Auditor	M. BERNI	1949	22/06/1999	22/04/2014	Approval of 2016 financial statements	m	x		4
Substitute Auditor	R. CODA	1959	29/04/2005	22/04/2014	Approval of 2016 financial statements	M	x		40
Substitute Auditor	A. DONESANA	1966	22/04/2014	22/04/2014	Approval of 2016 financial statements	M	x		7
No. of meetings held during FY 2015: 10									
Quorum required in order for minorities to submit lists to appoint one or more members (pursuant to art. 148 of the Consolidated Law on Finance): 2.5%									

NOTES

- * Date of first appointment of each Auditor means the date on which the Auditor has been appointed for the very first time in the Board of Statutory Auditors of the Issuer.
- ** This column indicates the list of origin of each Auditor ("M": majority list; "m": minority list).
- *** This column shows the Auditors' attendance to the meetings of the Board of Statutory Auditors (no. of attendances/no. of meetings held during the term of office of the interested party).
- **** This column shows the number of offices as director or auditor held by the person in question, pursuant to art. 148-bis of the Consolidated Law on Finance and the related implementation provisions set out in the Consob Issuer Regulation. The entire list of offices is published by Consob on its website, pursuant to art. 144-quinquiesdecies of the Consob Issuer Regulation. Given that, following the amendments introduced by Consob Resolution no. 18079 of 20 January 2012 to the Consob Issuer Regulation, which entered into force on 22 February 2012, the regulations on the limitation on total mandates for directors and auditors is valid only for those who hold an office in more than one listed or widely distributed issuer. The number of "other offices" reflects the assessment launched in January 2016 with the interested parties.

Paragraph on the "Main features of the existing risk management and internal audit systems with regard to the financial reporting process", pursuant to article 123-bis, paragraph 2, letter b) of the Consolidated Law on Finance.

1) Foreword

As already pointed out in the "Report on corporate governance and ownership structure", the internal audit system of ASTM is made up of functions and organisations that – according to their roles and institutional tasks – allow to achieve the strategic objectives of the Issuer and the ASTM Group, through the constant monitoring and identification of the main corporate risks.

With regard to the financial reporting process, these objectives may be the reliability, accuracy and timeliness of reporting.

Based on the system used – which includes rules, procedures and guidelines – ASTM ensures a suitable information flow and data exchange with its subsidiaries, through constant and timely coordination and update activities.

In this context, reference is made to both the regulation on the application of reference accounting standards (i.e. the Group accounting manual) and the procedures governing the preparation of the Consolidated Financial Statements and the periodic accounting statements, which include those for the management of the consolidation system and intercompany transactions. Any related document is distributed by the parent company so that subsidiaries can implement it.

2) Description of the main features of the existing risk management and internal audit system with regard to the financial reporting process

The assessment, monitoring and update of the Internal Audit System with regard to financial reporting include an analysis (at Group level) of the organisational and operating structures according to a risk identification/assessment procedure based on the use of the so-called "risk scoring" method.

Thanks to this activity, assessments can be carried out focusing on those areas characterised by higher risks and/or relevance, or on the risks of major errors (also as a consequence of frauds) in the items of financial statements and any related information document. To this end, the activity aims at:

- identifying and assessing the origin and possibility of major errors in the items of the economic-financial reporting;
- assessing if key controls are adequately defined, so that it is possible to identify – in advance or afterwards – any possible error in the items of the economic-financial reporting;
- assessing control operations based on the assessment of error risks of the financial reporting,

focusing testing on higher risk areas.

The risk assessment process adopted allows to identify the organisational structures, processes and any related accounting item, as well as any specific activity that can give rise to major potential errors. For each administrative-accounting process, testing activities are carried out with regard to the so-called "key controls" that, according to international best practices, can be mainly divided into the following categories:

- controls at Group level or for each single subsidiary, such as the assignment of responsibilities, powers and proxies, the separation of duties and rights to access IT applications;
- controls at process level, such as the issue of authorisations, the implementation of reconciliations and assessments of coherence, etc.. This category includes the controls concerning operational and accounting closure processes. These controls can be preventive, with the aim of preventing any anomaly or fraud that could give rise to errors in the financial reporting, or detective, aiming at identifying existing anomalies or frauds. These controls can be "manual" or "automatic" (e.g. application controls that refer to the technical and setting features of the information systems supporting business activities).

Testing activities are carried out by a major consulting firm, with the help of the employees of each single subsidiary, by using sampling techniques recognised by international best practices.

The assessment of controls, if deemed appropriate, may involve the identification of compensating controls, corrective actions or improvement plans.