

Explanatory Report of the Board of Directors with regard to point 5) of the Ordinary Session of the Agenda.

Request for authorisation for purchase and disposal of treasury shares: pertinent and consequent resolutions.

Shareholders,

Considering that the authorisation for purchase and disposal of treasury shares – which was granted by the Shareholders' Meeting held on 28 April 2010 - expired on 28 October 2011 and that, in the interest of the Company, it is deemed useful to renew it, we hereby present for your examination and approval the proposal to authorise, pursuant to art. 2357 of the Italian Civil Code and art. 132 of Italian Legislative Decree no. 58 of 24 February 1998, the purchase and disposal of treasury shares.

1. Reasons for which the authorisation has been requested

The Board of Directors intends to present again to the Shareholders' Meeting the request for authorisation for purchase and disposal of treasury shares, since it believes that this power represents a tool of management and strategic flexibility that the Directors should have in order to achieve the following objectives:

- to trade on the market in accordance with provision in force;
- to acquire a portfolio of treasury shares, that may then be utilised for future extraordinary funding operations or for other investments retained of financial, operational and/or strategic interest to the Company;
- to offer shareholders a further instrument through which they can monetise their investment.

Moreover, in the light of the proposal to amend the corporate purpose that will be subject to the approval of the Extraordinary Shareholders' Meeting on 10 June 2013 and of the possible exercise of the right to withdrawal - pursuant to art. 2437, par. 1, lett. a) of the Italian Civil Code - by the Shareholders who will not vote for this resolution, the said authorisation to purchase treasury shares

may also be used to guarantee, pursuant to art. 2437-*quater* of the Italian Civil Code, the settlement of the shares for which the said right will be exercised.

With specific regard to the authorisation request for the purchase of treasury shares, it is noted that, as of today, this request is not related to share capital decrease transactions through cancellation of the treasury shares that have been purchased.

2. Indication of the maximum number of shares for which authorisation is requested

The share capital that has been subscribed and paid-up by the Company is made up of 88,000,000 ordinary shares with no par value, for a total amount of EUR 44,000,000.00.

As of today, the Company holds 3,365,726 treasury shares (3.82% of the share capital), of which 3,344,226 shares directly and 21,500 shares indirectly, through the subsidiary ATIVA S.p.A..

Having taken into account the said information, it is proposed to purchase treasury shares of the Company, in one or more tranches, for an amount that can be set by the Board, up to a maximum of 17,600,000 ordinary shares, having considered the treasury shares held directly by the Company and those held by subsidiaries.

Purchases will be carried out in compliance with the provisions set out in Art. 2357, paragraph 1 of the Italian Civil Code, within the limits of distributable profit and available reserves, as resulting from the last duly approved financial statements.

3. Useful information in order to assess compliance with the provision set out in art. 2357, par. 3 of the Italian Civil Code

The number of shares for which the purchase authorisation is requested shall never exceed the fifth part of the share capital, also taking into account the shares that may be purchased by subsidiaries.

Specific indication is given to subsidiaries so as to promptly report any acquisition of shares carried out in compliance with art. 2359-bis of the Italian Civil Code, as well as their disposal.

4. Duration for which the authorisation has been requested

The authorisation to purchase treasury shares has been requested for 18 months as from the date on which the Shareholders' Meeting will adopt the related resolution. The duration of the authorisation to dispose of treasury shares has been requested with no time frame.

The Board of Directors may carry out the authorised transactions in one or more tranches and in any time.

5. Minimum and maximum price

The purchase price of the shares is set on a case-by-case basis, having considered the method that has been chosen to carry out the transaction and in compliance with any permitted rules or market practices. In any case, the purchase price must not be lower, as a minimum, by over 10% and must not exceed, as a maximum, over 10% of the reference price recorded on the stock market trading day prior to each individual purchase transaction.

These criteria shall not be applied for the purchase of treasury shares made in order to guarantee, pursuant to art. 2437-*quater* of the Italian Civil Code, the liquidation of the shares for which the right to withdrawal has been exercised.

For the disposal and/or use of treasury shares, the Board shall set, on a case-by-case basis, the criteria to define the price and/or methods, terms and conditions to use treasury shares in portfolio, having taken into account the methods to be applied, as well as the stock price performance in the period before the transaction and in the best interest of the Company, in any case according to the methods, terms and requirements consistent with the permitted market practice and in compliance with the rules issued by Consob, also with regard to the treasury shares in portfolio as of the date of today's resolution.

6. Methods for the purchase and disposal of treasury shares

Having taken into account the different objectives that may be achieved through transactions with treasury shares, the Board of Directors proposes that the authorization is given in order to purchase treasury shares according to any method allowed by current regulations, which should be identified on a case-by-case basis by the Board, i.e. at present:

- through take-over bid or public exchange offer;

- through a purchase made on regulated markets, according to the operating methods set out by Borsa Italiana S.p.A. and featuring the characteristics defined by art. 144-bis of Consob Regulation no. 11971 of 14 May 1999;
- through the purchase and sale of derivative instruments traded on regulated markets, which provide for the physical delivery of underlying shares, according to the conditions set out by Borsa Italiana S.p.A.;
- through the proportional allocation of put options to shareholders, to be exercised within the time-frame of the authorization, as set out in the previous paragraph 4.

With regard to disposal transactions, the Board of Directors proposes that any suitable method can be adopted to achieve the set objectives, either directly or through intermediaries, in compliance with law provisions and regulations on the matter, both at national and EU-level.

The purchase and disposal of treasury shares for which the authorisation is requested shall be carried out in compliance with applicable rules and, in particular, with law provisions and regulations, both at national and EU-level, also with regard to market abuse.

Adequate notice will be given with regard to the purchase and disposal of treasury shares, in compliance with the applicable information obligations.

7. Cancellation of the treasury shares purchased

The purchase of treasury shares is not subject to the decrease of share capital through cancellation of the treasury shares purchased.

With regard to the above, we invite you to approve the following proposal:

"The Ordinary Shareholders' Meeting of ASTM S.p.A.,

having acknowledged the "Explanatory Report of the Board of Directors" and the proposals contained herein,

APPROVES THE FOLLOWING:

- 1) To authorise the Board of Directors to purchase treasury shares with no par value, up to a maximum of 17,600,000 ordinary shares, equal to 20% of the Company's share capital, having

taken into account the treasury shares held directly by the Company and those held by its subsidiaries, by establishing the following:

- a) the purchase can be made in one or more tranches, within 18 months as from the date of this resolution;
- b) the purchase can be made according to any of the methods set out by current regulations, which should be identified on a case-by-case basis by the Board, i.e. at present:
 - (i) through take-over bid or public exchange offer;
 - (ii) through a purchase made on regulated markets, according to the operating methods set out by Borsa Italiana S.p.A. and featuring the characteristics defined by art. 144-bis of Consob Regulation no. 11971 of 14 May 1999;
 - (iii) through the purchase and sale of derivative instruments traded on regulated markets, which provide for the physical delivery of underlying shares, according to the conditions set out by Borsa Italiana S.p.A.;
 - (iv) through the proportional allocation of put options to shareholders, to be exercised within the time-frame of the authorization, as set out in the previous letter a);
- c) adequate notice will be given with regard to the purchase and disposal of treasury shares, in compliance with the information obligations set out by current regulations;
- d) the purchase price of the shares is set on a case-by-case basis, having considered the method that has been chosen to carry out the transaction and in compliance with any permitted rules or market practices. In any case, except for the purchase of treasury shares made according to art. 2437-*quater* of the Italian Civil Code, the purchase price must not be lower, as a minimum, by over 10% and must not exceed, as a maximum, over 10% of the reference price recorded on the stock market trading day prior to each individual purchase transaction;
- e) the purchase shall be carried out using the distributable profit and available reserves, as resulting from the last duly approved financial statements at the time of the transaction, by creating a treasury share reserve and by making any accounting entry according to the methods and limits set out by law;

- 2) to authorise the disposal, in full or in part, either directly or through intermediaries and with no time limits, of the treasury shares that have been purchased in accordance with the resolution set out in point 1), even before having exercised in full the authorisation to purchase treasury shares, according to the objectives and the methods set out by law and in compliance with any other applicable rule, including law provisions and regulations, both at national and EU-level, also with regard to market abuse.

The disposal of treasury shares can be made in one or more tranches and at any time, also through a public offer or an offer to shareholders, in the market or as part of any extraordinary transaction. The shares can be disposed of also together with bonds or warrants for their exercise and, in any case, according to the methods set out by current law provisions and regulations, at the discretion of the Board of Directors;

- 3) pursuant to art. 2357-ter, par. 3 of the Italian Civil Code, to make any accounting entry that is necessary or useful with regard to treasury share transactions, in compliance with the current law provisions and applicable accounting standards;
- 4) to grant to the Board of Directors (and to the Chairman and the Managing Director, also separately) any power necessary to purchase, dispose of or use treasury shares, also through subsequent transactions and, in any case, in order to implement the above-mentioned resolutions, also through attorneys, in compliance with the provisions set out by competent authorities".

Tortona, 19 April 2013

for the Board of Directors

The Chairman

(Gian Maria Gros-Pietro)