

**SHAREHOLDERS AGREEMENT NOTIFIED TO CONSOB PURSUANT TO ART. 122 OF LEGISLATIVE DECREE 24.2.1998, N. 58 - ESSENTIAL INFORMATION PROVIDED BY ART. 130 OF THE CONSOB REGULATION N. 11971/1999, AS SUBSEQUENTLY AMENDED**

**SHAREHOLDERS AGREEMENT BETWEEN UNICREDIT S.P.A., INTESA SANPAOLO S.P.A. AND NUOVE PARTECIPAZIONI S.P.A.**

*The below Essential Information have been updated on 22 December 2014 in their recitals and in some paragraphs, to take into account:*

- (i) *the entry into force of the shareholders' agreement between UniCredit S.p.A., Intesa Sanpaolo S.p.A. and Nuove Partecipazioni S.p.A., as well as the completion of the Closing (as defined below);*
- (ii) *the completion and effectiveness of the First Merger (as defined below), that is of the merger by way of incorporation of Lauro Sessantuno S.p.A. into Camfin S.p.A.;*
- (iii) *the completion and effectiveness of the Demerger (as defined below), that is of the non-proportional demerger, in favor of the newly incorporated company named Coinv S.p.A., of the assets and liabilities of Camfin S.p.A. other than the shareholding in Pirelli & C. S.p.A., that is, of the shareholding in Prelios S.p.A. and of other minor shareholdings, as well as*
- (iv) *the completion and effectiveness of the Contributions (as defined below), that is of the contributions in favor of Coinv S.p.A. from UniCredit S.p.A., Intesa Sanpaolo S.p.A. and Nuove Partecipazioni S.p.A. of the shareholdings respectively held by the latter in Camfin as a result and effect of the above mentioned merger and demerger.*

*The paragraphs added in the text below or that, as a result of the above, replace some parts of the previous text are indicated in italics and underlined.*

*All the above is without prejudice to all contractual documentation executed by the parties on 24 May 2014.*

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On 24 May 2014, simultaneously with the execution:

- (i) of the co-investment agreement (the “**Co-Investment Agreement**”) between UniCredit S.p.A. (“**UC**”), Intesa Sanpaolo S.p.A. (“**ISP**”), Nuove Partecipazioni S.p.A. (“**NP**”) and Long-Term Investments Luxembourg S.A., (the “**Strategic Investor**”), which sets forth the respective rights and obligations of the parties in the context of a project aimed at the implementation of a program for the development of the business, strategies and activities of Pirelli & C. S.p.A. (“**Pirelli**”) to foster the further growth of Pirelli (the “**Program**”);
- (ii) of the shareholders agreement (the “**CF Shareholders Agreement**” and, together with the Co-Investment Agreement, the “**Agreements**”) between the same parties, which sets forth provisions concerning the governance of (a) Camfin S.p.A. (“**CF**”), company indicated by the parties as vehicle for the implementation of the partnership between the same parties, as well as (b) for certain aspects and within the limits allowed by the legal regime and the nature of such affiliate, (c) of Pirelli, company in which CF holds, directly and indirectly, a participation equal to 26.19% of the voting share capital.

UC, ISP and NP (jointly, the “**Italian Investors**”) have also executed a further shareholders agreement (the “**Shareholders Agreement**”) which sets forth, as better indicated below, the relations between the Italian Investors with respect to and following performance of the Agreements.

Please note that the Co-Investment Agreement *provided* for the completion of a series of corporate activities and transactions, including the acquisition by the Strategic Investor (i) of the entire corporate capital of Lauro Cinquantaquattro S.p.A. (“**Lauro 54**”*now LTI Holding S.r.l.*) held by Clessidra SGR S.p.A. on behalf of Clessidra Capital Partners II (“**Clessidra**”), (ii) of a shareholding equal to 12.97% of the corporate capital of Lauro 61 S.p.A. (“**Lauro 61**”) held by ISP and (iii) of a shareholding equal to 12.97% of the corporate capital of Lauro 61 held by UC. Following the above transactions, Lauro 61 was participated as follows:

- by NP, with a shareholding equal to 39.09% of the corporate capital of Lauro 61;
- da ISP, with a shareholding equal to 5.46% of the corporate capital of Lauro 61;

- da UC, with a shareholding equal to 5.46% of the corporate capital of Lauro 61; and
- by the Strategic Investor, also through Lauro 54, with a shareholding equal to 50% of the corporate capital of Lauro 61.

The Co-Investment Agreement also *provided* that, as soon as possible and in order to simplify the corporate chain of CF, a reorganization (the “**Reorganization**”) *would* be implemented through the following transactions:

- the merger by incorporation of Lauro 61 in CF (the “**First Merger**”) and, upon request of the Strategic Investor, of Lauro 54 in CF (the “**Second Merger**” and jointly with the First Merger, the “**Merger**”);
- the non-proportional demerger (the “**Demerger**”) in favor of a newly incorporated company Coinv S.p.A. (“**Newco**”) – participated exclusively by NP, ISP and UC – of the assets and liabilities of CF other than the Pirelli shareholding (the “**CF Other Assets and Liabilities**”), that is of the shareholding in Prelios S.p.A. and of other shareholdings of minor relevance;
- the contributions into Newco, by NP, ISP and UC, of their respective shareholdings in CF as received following completion of the said transactions (the “**Contributions**”).

As a result of the First Merger, of the Demerger and of the Contributions and, therefore, following completion of the Reorganization, *perfected on 22 December 2014*, the corporate capital, respectively, of CF and of Newco *is* held as follows: (i) as to CF: (aa) the Strategic Investor *holds* a number of shares equal to 50% of the corporate capital of CF and (bb) Newco *holds* a number of shares equal to the remaining 50% of the corporate capital of CF, and (ii) as to Newco: (xx) NP *holds* a number of shares equal to 76% of the corporate capital of Newco; (yy) ISP *holds* a number of shares equal to 12 % of the corporate capital of Newco; and (zz) UC *holds* a number of shares equal to 12 % of the corporate capital of Newco.

The completion of the Transaction, including the completion of the acquisition by the Strategic Investor of the entire corporate capital of Lauro 54 as well as of the participations equal to 12.97% of the corporate capital of Lauro 61 held, respectively, by UC and ISP in Lauro 61 (the “**Closing**”) – *which took place on 10 July 2014 – was* subject, in particular, to the conditions precedent of the performance of certain procedures before the competent antitrust authorities, to the commencement of the procedures regarding the First Merger and the Demerger in the context of the Reorganization with the approval by the competent boards of directors of the relevant merger and demerger plans, to the absence of sanction measures impeding the completion of the Transaction and to the obtainment of certain waivers from the pool of financing banks under the existing financing agreement with CF.

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## SHAREHOLDERS AGREEMENT

The Shareholders Agreement concerns, inter alia, (i) the corporate governance of Newco; (ii) the composition of the slate to be submitted to the shareholders’ meeting of CF for the appointment of those members of the board of directors of CF who must be designated by Newco, (iii) the possible exit from Newco and the divestment from CF and (iv) the management for the prompt and progressive divestment of the CF Other Assets and Liabilities which, pursuant to the Agreements, shall pass to Newco with the Demerger. The Shareholders Agreement finally regulates the relations between the Italian Investors also prior to the completion of the Reorganization with respect to (a) their participation in Lauro 61 until the effective date of the Merger and (b) their participation in CF in the period between the effective date of the Merger and the effective date of the Contributions.

## COMPANY WHOSE FINANCIAL INSTRUMENTS ARE OBJECT OF THE SHAREHOLDERS AGREEMENT

Coinv S.p.A., joint stock company with registered office in Milan, Piazza Borromeo n. 12, share capital of Euro 167.767.088,50, fully paid-in, tax code, VAT number and registration number at the Companies Register of Milan 08852660961.

Camfin S.p.A., joint stock company with registered office in Milan, Piazza Borromeo 12, share capital of Euro 286,931,948.94, , fully paid-in, tax code, VAT number and registration number at the Companies Register of Milan 00795290154.

Pirelli & C. S.p.A., joint stock company with registered office in Milan, Viale Piero e Alberto Pirelli n. 25, share capital of Euro 1,345,380,534.66, fully paid-in, tax code, VAT number and registration number at the Companies Register of Milan 00860340157, with shares listed on the MTA organized and managed by Borsa Italiana S.p.A..

Prelios S.p.A., joint stock company with registered office in Milan, Viale Piero e Alberto Pirelli 27, share capital of Euro 426.441.257,20, fully paid-in, tax code, VAT number and registration number at the Companies Register of Milan 02473170153, whose voting shares are listed on the MTA organized and managed by Borsa Italiana S.p.A., and whose shareholding as held by CF fall within the CF Other Assets and Liabilities transferred to Newco through the Demerger.

## **PERSONS ADHERING TO THE SHAREHOLDERS AGREEMENT AND FINANCIAL INSTRUMENTS OBJECT OF THE SHAREHOLDERS AGREEMENT**

### Persons adhering to the Shareholders Agreement.

The following companies (the “**Parties**”) are party to the Shareholders Agreement:

- (i) **UniCredit S.p.A.**, with registered office in Rome, Via Alessandro Specchi 16, tax code, VAT number and registration number at the Companies Register of Rome 00348170101, with shares listed on the *Mercato Telematico Azionario* organized and managed by Borsa Italiana S.p.A. (“**MTA**”), Holding of the UniCredit Bank Group, enrolled at the Bank Groups Register (*Albo dei Gruppi Bancari*) cod. 2008.1;
- (ii) **Intesa Sanpaolo S.p.A.**, with registered office in Turin, Piazza San Carlo 156, tax code and registration number at the Companies Register of Turin 00799960158, VAT number 0810700152, with shares listed on the MTA, enrolled at the Bank Groups Register (*Albo dei Gruppi Bancari*) at n. 5361 and Holding of the Intesa Sanpaolo Bank Group; and
- (iii) **Nuove Partecipazioni S.p.A.**, with registered office in Milan, Piazza Borromeo n. 12, tax code, VAT number and registration number at the Companies Register of Milan 08264530968, indirectly controlled by Mr. Marco Tronchetti Provera through Marco Tronchetti Provera & C. S.p.A. (“**MTP**”).

### Percentages and number of financial instruments object of the Shareholders Agreement.

#### **Newco**

Newco was incorporated in the context of the Demerger, being the beneficiary of the CF Other Assets and Liabilities. Upon completion of the Contributions, the shares representing 100% of the corporate capital of Newco are allocated to the Italian Investors in the percentages indicated below:

<b>Newco Shareholders</b>	<b>Percentage of participation in Newco (post Reorganization)</b>
NP	76%
ISP	12%
UC	12%
<b>Total</b>	<b>100%</b>

#### **CF**

Following the Reorganization, to be intended as completion of the First Merger, of the Demerger and of the Contributions, the shares representing 100% of the corporate capital of CF are held, respectively, by (i) Newco as to 50% and (ii) Long-Term Investments Luxembourg S.A. (also through Lauro 54) as to the remaining 50%.

### ***Pirelli***

The shares object of the Shareholders Agreement consist in the shareholding held, directly and indirectly, by CF in Pirelli equal to 26.19% of the voting share capital.

### ***Prelios***

The shares object of the Shareholders Agreement consist in the shareholding held, directly and indirectly, by Newco in Prelios, following the Demerger, equal to 8.111% of the voting share capital.

## **CONTENT OF THE SHAREHOLDERS AGREEMENT**

### ***Governance of Newco***

The governance of Newco is reflected, to the maximum extent possible, in the by-laws of the company (the “**Newco By-Laws**”). In particular, the following provisions shall apply:

#### *Corporate purpose.*

The corporate scope of Newco consists exclusively (i) in the holding and progressive and prompt divestment of the CF Other Assets and Liabilities and (ii) following the Contributions, also in the holding, the management aimed at the valorization and the divestment, indirectly, pursuant to the provisions of the Shareholders’ Agreement, of the shareholding in CF (hereafter, the “**CF Shareholding**”), which, after the divestment of the CF Other Assets and Liabilities, shall be the only asset of Newco and, indirectly, of the Pirelli Shares. Therefore Newco cannot carry out any activity or transaction or perform any act, other than those strictly necessary to and aimed at the holding and progressive and prompt divestment of the CF Other Assets and Liabilities and the holding, management and following divestment, directly, of the CF Shareholding and, indirectly limited to what provided in the Shareholders’ Agreement.

#### *Board of Directors.*

The Board of Directors of Newco is composed of 6 directors appointed as follows:

- NP is entitled to designate 4 directors, one of which shall be appointed Chairman and Chief Executive Officer of Newco (the “**Newco Chairman and CEO**”);
- ISP is entitled to designate 1 director; and
- UC is entitled to designate 1 director.

The Board of Directors of CF is appointed through a voting slate system to ensure that the members of the Board of Directors are appointed in accordance with the provisions above. Should a director designated by a Party resign or otherwise cease for any reason whatsoever to hold his/her office, the same Party shall have the right to designate a new director. Each CF Shareholder has the right to request (and obtain) the revocation of one or more directors designated by the same. The members of the Board of Directors of Newco will not be granted any remuneration for their office except for the attendance to each Board of Directors’ meeting and for the reimbursement of any reasonable expense incurred in the performance of their duties.

#### *Board of Statutory Auditors of Newco.*

The Board of Statutory Auditors of Newco is appointed as follows:

- NP is entitled to designate 2 (two) effective members and 1 (one) alternate auditor; and
- ISP and UC (jointly, also the “**Banks**”) are entitled to jointly designate 1 (one) effective member, Chairman of the Board of Statutory Auditors, and 1 (one) alternate auditor.

- The Board of Statutory *is* appointed through a voting slate system to ensure that the members of the Board of Statutory Auditors are appointed in accordance with the provisions above.

Resolutions of the competent corporate bodies of Newco.

The Parties have undertaken to procure that the Company carries out exclusively the activities, transactions and acts strictly necessary for the achievement of the corporate purpose, with the exclusion, therefore, of any other activity, act or transaction which may cause Newco itself to incur costs, expenses, advisory costs in any event exceeding Euro 10.000, unless otherwise unanimously decided.

1. The shareholders meeting of Newco **(a)** if extraordinary, is validly held with the presence of, and resolve with the favorable vote of, a number of shareholders representing at least 95% (ninety-five per cent) of the voting corporate capital; **(b)** if ordinary, is validly held with the presence of, and resolve with the favorable vote of, a number of shareholders representing at least 95% (ninety-five per cent) of the voting corporate capital with respect to the decisions concerning the remuneration of directors and statutory auditors, including those vested with special offices, as well as the purchase of treasury stock. In all other cases (including the approval of the annual financial statements), the ordinary shareholders meeting of Newco is validly held and resolves with the majorities provided by law.
2. The resolutions of the board of directors concerning the matters listed below are reserved to the competence of the board of directors of Newco, and therefore, save as provided under (iii), cannot be delegated and are validly adopted with the presence and the favorable vote of all directors in office:
  - (i) any acquisition, transfer or act of disposal (including the creation or granting of encumbrances) concerning the CF Shareholding and/or any transaction regarding, directly or indirectly, the CF Shareholding or which concerns or may concern, directly or indirectly, the transfer (also partial) of the CF Shareholding or the performance of acts of disposal of any nature (also through the granting of rights to third parties or the creation of burdens or encumbrances), as well as the execution of any agreement concerning the CF Shareholding, including the execution of agreements or contracts, also not binding, the granting of mandates (also of explorative nature) and the appointment of counsels or advisors, as well as the beginning of negotiations in relation to the above, with the exception of the resolutions to be adopted for the implementation of what expressly resolved in such regard by the Consultation Committee, as well as of the cases of dissolution and winding-up of CF (as indicated below);
  - (ii) any acquisition, transfer or any other act of disposal (including the creation or granting of encumbrances), concerning movable or immovable assets (other than the CF Shareholding and other financial instruments to which point (i) above applies), by Newco for a value exceeding Euro 10.000 per single transaction or series of transactions connected among them;
  - (iii) any act concerning the participation in Prelios S.p.A. or the winding-up and/or dismissal (in whole or in part and as a result of any act or fact) of the CF Other Assets and Liabilities, provided that the board of directors shall be entitled, with unanimous decision, to delegate in whole or in part the decisions concerning such acts;
  - (iv) any transaction carried out by Newco which imposes, following the same, the launch of a mandatory Tender Offer over Pirelli, as well as any decision concerning such Tender Offer;
  - (v) the assumption, by Newco, of any financial debt, in any form and for whatever purpose, as well as the granting of any guarantee;
  - (vi) determination and amendments to the remuneration of the members of the board of directors of Newco and/or vested with special offices;
  - (vii) execution of any agreement with a value exceeding – or which results in undertakings exceeding – Euro 10.000 per single transaction or series of transactions connected among them;
  - (viii) exercise of the voting rights in the shareholders meetings of CF concerning matters similar to those listed under point (1) a) and (b) above and/or those listed under (vi) of this point (2).

In all other cases (including the approval of the annual financial statements and, as the case may be, of the budget, without prejudice in any event to the limitations provided above from (i) to (viii)), the board of directors is duly constituted and resolves with the majorities of the directors in office.

Designation of directors in the Board of Directors of CF.

The designation of the directors of CF to be included in the slate to be submitted to the shareholders' meeting of CF for the election of the board of directors of CF (the "**CF Slate**") shall be carried out in accordance with the provisions set forth in the By-Laws, which provides for a mechanism that allows, without the need of a specific resolution in such respect by the board of directors of Newco, (i) to the directors of Newco appointed by NP, to designate two directors in the CF Slate, including the chairman and chief executive officer of CF; and (ii) to the directors of Newco appointed by the Banks, to designate one director in the CF Slate. For this purpose, each director of Newco is delegated with the power (xx) to designate one director to be included in the CF Slate pursuant to the above, and (yy) to deposit the CF Slate according to the terms and modalities provided by the by-laws of CF, as well as (zz) to integrate the CF Slate in the event that any director fails to exercise his/her power of designation.

#### Consultation Committee.

The Parties have established a consultation committee (the "**Consultation Committee**") to which participate 6 (six) representatives, of which: (i) 4 (four) appointed by NP (including the Chairman of the Consultation Committee) and (ii) 2 (two) appointed by each of the Banks, and which is composed by the same individuals appointed as members of the board of directors of Newco. The Chairman of the Consultation Committee coordinates the administrative activities for the functioning of the committee. The Consultation Committee shall meet to examine and discuss all the matters within the competence of the board of directors or of the shareholders' meeting of Newco pursuant to the Shareholders' Agreement and the Newco By-Laws to be adopted. For the resolutions of the Consultation Committee, the provisions and competences set forth, *mutatis mutandis*, in the previous paragraph concerning the "*Resolutions of the competent corporate bodies of Newco*" shall apply, without prejudice in any event to what provided in the following paragraph, concerning the "*Consultation Committee post Reorganization*". In addition, with respect to the formation of the CF Slate, what indicated above shall apply and for the purposes provided therein the Chairman of the Consultation Committee has the same prerogatives and powers of the chairman and chief executive officer of Newco. The resolutions of the Consultation Committee shall be communicated to the Parties by the Chairman and the Parties shall be bound to comply with the resolutions adopted.

The resolutions of the Consultation Committee are validly taken and passed:

- (1) with the presence and the favorable vote of four representatives with respect to resolutions concerning:
  - (a) the vote to be cast at the ordinary shareholders' meetings of the participated companies (including the approval of the annual financial statements but excluding those concerning the CF Slate in relation to which what indicated above shall apply),
  - (b) the resolutions in respect to which, pursuant to the CF Shareholders' Agreement, the Chairman and CEO of CF has the casting vote (that is, the resolutions concerning the financing or refinancing of the debt of CF and of its subsidiary CAM 2012 S.p.A., including pursuant to the bond issues and the facility agreements),
  - (c) the adherence to tender offers over the shares of Pirelli where the consideration offered allows each of the Banks a valorization of their stake in Newco at least equal to a certain pre-agreed value (the "**Base Value**"),
  - (d) the beginning of procedures of "Trade Sale" pursuant to the CF Shareholders' Agreement,
  - (e) the decision at the end of the "Trade Sale" Procedure pursuant to the Shareholders' Agreement of CF to proceed to the transfer of the shares of Newco and/or of CF (and/or of the Pirelli Shares) provided that such transfer is in favor of third parties and/or in any event of parties in any way related or connected to NP and/or to the Strategic Investor (and/or to any person controlled and/or controlling or controlled by the same controlling person) and for a consideration that allows each of the Banks a valorization of their stakes in Newco at least equal to the Base Value, or also a lower valorization in the event that each of the Banks is simultaneously offered to acquire, previously and at no cost (of any kind, including tax cost) and/or expenses, their respective pro-quota of Pirelli Shares, also on the basis of the "Dissolution Procedure" provided by the CF Shareholders' Agreement
  - (f) the approval of the budget (if any) and of the draft of annual financial statements of Newco, and
- (2) with the favorable vote of all the representatives in attendance for all the other resolutions.

#### ***Provisions on the transfer of the shareholdings in Newco – Exit Procedures***

##### Lock-up.

The Parties have agreed that the main goal of the Transaction is to implement the Program and thereby proceed to the valorization of Pirelli and of its group. Consistently with the above, and with what agreed by the Parties and the Strategic Investor in the CF Shareholders Agreement, the Parties have agreed on a lock-

up period with respect to any transfer of their participations in Newco of five years from the date of execution of the Shareholders' Agreement (the "**Lock-up Period**"). The transfers of shares of Newco in favor of companies controlling or controlled by the Parties are in any case permitted, provided that such transfers provide for adequate protection mechanisms for the event that the control relationship ceases.

Right of first refusal of NP.

If one of the Banks wishes to proceed to a transfer, following the expiry of the Lock-up Period, in favor of a third party or another shareholder, it shall be required to offer the sale shares, at the same terms and conditions, to NP, which shall have the right to acquire all (and no less than all) the sale shares.

Tag-along right.

After the Lock-up Period, if NP procures or receives the offer of a bona fide independent third party purchaser (the "**Offeror**") for the purchase of part or all the shareholding held by NP in Newco, it shall inform the Banks and each of the Banks shall have the right (but not the obligation) to request that NP procures that the Offeror purchases, in addition to the Shareholding of NP, all (and no less than all) the shareholdings held by the Banks in Newco.

Change in the Investment Structure of the Strategic Investor.

With respect to the agreement whereby Neftgarant and the Management Company have undertaken to procure that the investment structure of the Strategic Investor is not directly or indirectly modified, also in part, for a period of 5 years, save for a number of permitted transfers, such as, inter alia, the transfers in relation to which NP has given its consent (which shall not be unreasonably withheld, but shall be entirely discretionary in the event that the purchaser is a competitor of Pirelli), and the transfers resulting from the compliance with applicable provisions of law, NP and the Banks have agreed that in the cases where NP is required to give its consent, such consent shall be given only subject to the consent of each of the Banks, which consent shall not be unreasonably withheld, taking into account what agreed by NP with the Strategic Investor. In any case, NP shall keep the Banks promptly informed of any relevant circumstances in relation to what provided by the said agreement.

Change of Control of NP.

MTP, which in the Shareholders' Agreement has represented to be directly controlled by Mr. Marco Tronchetti Provera, has executed the Shareholders' Agreement in its capacity as shareholder with exclusive control – direct and indirect – of NP and has undertaken exclusively vis-à-vis the other Parties not to carry out or consent (and to procure that it shall not be carried out or consented) any "Change of Control", meaning as such any event, circumstance, corporate transaction, transfer, agreement or act or series of acts and/or agreements, as a result of which Mr. Marco Tronchetti Provera would cease to hold, directly or indirectly, the exclusive control, currently exercised directly and indirectly, over MTP and NP.

Dissolution and liquidation of CF.

For each of the cases in which have occurred the conditions indicated in the CF Shareholders' Agreement (and in the CF by-laws) to request the dissolution and liquidation of CF (though delivery of the so-called "Dissolution Notice"), or the demerger of CF (though delivery of the so-called "Demerger Notice"), with the attribution to Newco of a pro-quota portion of the Pirelli Shares and of the indebtedness of CF pursuant to the provisions of the CF Shareholders' Agreement, NP and each of the Banks shall have the right to request that Newco sends to CF, as the case may be, the "Dissolution Notice" or the "Demerger Notice", commencing thereby, as the case may be, the "Dissolution Procedure" or the "Demerger Procedure" provided by the CF Shareholders' Agreement (and the CF by-laws).

Exit Procedures.

If, at the end of the possible dissolution of CF, the Dissolution Procedure of CF ends with:

(a) the payment in cash to Newco of its pro-rata interest or with the attribution in kind of a portion of the Pirelli Shares and of the indebtedness of CF, for a period of 2 (two) months from the actual payment/attribution each Party shall be entitled to deliver to the company a notice requesting the dissolution of the same (the "**Newco Dissolution Notice**"). The submission by NP or any of the Banks of the Newco Dissolution Notice triggers the dissolution of Newco.

(b) (i) the attribution in kind to Newco of its pro-rata interest (therefore, with the attribution of a portion of the Pirelli Shares and of the indebtedness of CF), or (ii) the extraordinary shareholders' meeting of CF resolves a non-proportional demerger, pursuant to which the Company receives a portion of the Pirelli

Shares and of the indebtedness of CF, each Party shall be entitled to request and obtain the non-proportional demerger of Newco, to be completed within six months, with the attribution to each Party (or to a wholly-owned subsidiary of a Party) of its respective, proportional portion of the Pirelli Shares and of the indebtedness of Newco and/or of CF (the “**Newco Demerger Procedure**”). In such case, the Parties shall implement, adopt and vote in favor of, and shall procure that the directors designated by the same in Newco implement, adopt and vote in favor of, any and all measures, documents and resolutions necessary to the completion of the Newco Demerger Procedure within a period of time reasonably short, and in any event by and no later than 6 months from the beginning of such procedure or, if the transaction is subject to any authorization by law or contract, by and no later than 6 months from the obtainment of such authorizations. During the Newco Demerger Procedure each Party: (xx) shall not be entitled to transfer its shareholding other than in the context and for the limited purposes of the Newco Demerger Procedure; and (ii) shall promptly and timely consult with the other Parties to find an agreed solution to dispose of their respective participations in Newco and/or in Pirelli with a view to maximizing the proceeds of such disposal for all the shareholders. In the event that the Parties reach an agreement on such disposal, the entire corporate capital of Newco, the entire shareholding held by Newco in CF and/or all the Pirelli Shares owned, also indirectly, by Newco shall be disposed of according to such agreement, notwithstanding and in lieu of the Newco Demerger Procedure, that shall be in such case, and where required, revoked.

#### Tender Offer over Pirelli.

In the event that a tender offer (for purchase and/or exchange and/or subscription) regarding the shares of Pirelli is launched (including in each of such cases also any subsequent competing offer) (the “**Tender Offer**”) and provided that the board of directors of CF does not decide to adhere, while in the Consultation Committee the representative of any of the Banks has voted in favor of the adherence to the Tender Offer, upon request of such Bank sent within 30 days from the closing date (*data di chiusura*) of the Tender Offer (the “**Exit Request**”):

(1) NP shall be entitled to purchase (the “**Call Option**”) from the Bank which has sent the Exit Request the shareholding held by it in CF, or, following completion and effectiveness of the Reorganization and, in particular, of the relevant Contribution, of its shareholding in Newco and

(2) in the event that NP fails to exercise the Call Option (within 30 days starting from the first day following the date of the Exit Request) the sending Bank shall be entitled to sell to NP (in the following 30 days) the shareholding held in CF, or, following completion and effectiveness of the Reorganization and, in particular, of the relevant Contribution, its shareholding in Newco.

The consideration for the transfer of the shareholding shall be equal to the corresponding percentage of the net asset value of Newco, to be defined on the basis of predetermined criteria.

### **TERM AND EFFECTIVENESS OF THE SHAREHOLDERS AGREEMENT**

The Shareholders Agreement *entered* into force simultaneously with *the* entry into force of the CF Shareholders Agreement (*that is, on 10 July 2014, at the Closing date*) and shall remain valid and effective until the fifth (5<sup>th</sup>) anniversary from such date *and, at its expiry*, it shall automatically renew for a further period of three years, unless a Party informs in writing the other Parties of its intention not to renew the Shareholders Agreement, with notice sent at least four months before the envisaged expiry date.

### **CONTROL**

There is no person having the right, through *the* Shareholders Agreement, to exercise control over Pirelli *or Prelios*.

### **TYPE OF SHAREHOLDERS AGREEMENT**

The provisions relevant pursuant to art. 122 of Legislative Decree n. 58 of 24 February 1998 (“**TUF**”) contained in the Shareholders Agreement are relevant under art. 122, paragraph 1 and paragraph 5, letters a) and b), of the TUF.

### **BODIES OF THE SHAREHOLDERS AGREEMENT**



Please refer to above to the provisions on the Consultation Committee.

### **LIQUIDATED DAMAGES IN CASE OF BREACH OF OBLIGATIONS**

No liquidated damages are provided for the failure to perform the obligations under the Shareholders Agreement.

### **OFFICE OF THE COMPANIES' REGISTER**

The Shareholders Agreement was filed within the terms set forth by law with the Companies' Register of Milan on 29 May 2014 (N. PRA/157730/2014CMIAUTO).

**Milan, 22 December 2014**