



Pirelli & C. S.p.A.

Minutes of the Ordinary General Meeting
of Shareholders held on 14 May, 2015

(ENGLISH COURTESY TRANSLATION – THE ITALIAN VERSION SHALL PREVAIL)

PIRELLI & C. SOCIETÀ PER AZIONI
ORDINARY SHAREHOLDERS' MEETING ON MAY 14, 2015

The Ordinary and Extraordinary Shareholders' Meeting of **PIRELLI & C. S.p.A.** (hereinafter, the “**Company**” or “**Pirelli**”) began at 2:33 p.m. on May 14, 2015 in Milan, Viale Sarca n. 214.

Mr. Marco Tronchetti Provera chaired the Shareholders' Meeting pursuant to the Bylaws and, with the unanimous approval of those present, he asked Prof. Carlo Marchetti to act as Secretary of the meeting. First of all, the Chairman announced that:

- the Shareholders' Meeting has been called to discuss and resolve on the following

AGENDA

1. Financial Statements as at 31 December 2014. Related and consequent resolutions.

2. Appointment of six members of the Board of Directors. Related and consequent resolutions.

3. Board of Statutory Auditors:

- *appointment of standing and alternate auditors;*
- *appointment of the Chairman;*
- *determination of remuneration of auditors.*

4. Remuneration policy: consultation.

5. Insurance policy designated "Directors and Officers Liability Insurance". Related and consequent resolutions.

6. Purchase and disposal of treasury shares. Related and consequent resolutions.

- pursuant to applicable laws and regulations, the notice of call was published on the website of the Company and of Borsa Italiana S.p.A. on April 2, 2015. The notice of call was also published in the newspapers “Il Sole 24 Ore” and “Milano Finanza” on April 3, 2015; the call of meeting was also announced to the market through publication of a specific press release on April 2, 2015;

- the Company has not received any request for modifications of the agenda or motions for resolutions on matters already on the agenda, pursuant to applicable laws and regulations;

- the share capital of Euro 1,345,380,534.66 is represented by 487,991,493 shares without par value, comprised by 475,740,182 ordinary shares and 12,251,311 savings shares; today, the Company owns 351,590 ordinary treasury shares and 408,342 savings treasury shares;
- a total of 902 shareholders were entitled to vote in person or by proxy at the Shareholders' Meeting for 191,483,620 ordinary shares. Therefore, the meeting participants hold a total of 40.249621% of the ordinary shares.

The Chairman then confirmed and acknowledged that the Ordinary Shareholders' Meeting was duly assembled and qualified to discuss and resolve on the items listed on the agenda.

Continuing, he made the other announcements as follows:

- the documentation regarding the various items on the agenda was published as provided by law and regulation. In particular, at the same time that the notice of call was published on April 2, 2015, the public was provided with the following (through filing at the registered office, publication on the Company website and website of Borsa Italiana and the authorised storage mechanism): the Directors' reports and motions on the second item of the agenda – election of new members to the Board of Directors), the third item on the agenda (election of the new Board of Statutory Auditors), the fifth item on the agenda (D&O Policy) and the sixth item on the agenda (purchase and disposal of treasury shares); the Annual Financial Report (first item on the agenda), including the draft separate financial statements, the consolidated financial statements, the Board of Directors' Report on Operations, and the certification pursuant to Article 154-bis, paragraph 5, of Legislative Decree 58 of February 24, 1998 (the “Consolidated Law on Finance”, also referred to hereinafter as “TUF”) – together with the related reports of the Board of Statutory Auditors and the independent auditor, the Annual Report on Corporate Governance and Structure of Share Ownership and the Report on Responsible Management of the Value Chain were published through the same channels on April 20, 2015. The documents listed above are included in the printed folder entitled “Annual Report” handed out at the entrance to the meeting hall. The Annual Report was sent out before the Shareholders' Meeting to anyone who requested it;
- the annual reports of the subsidiaries and financial highlights of associated companies were also filed at the Company registered office on April 20, 2015;
- folders containing information about the two slates of candidates for the Company Board of Statutory Auditors presented to shareholders on April 17, 2015 have also been handed out at the door. The folders contain the information and documents envisaged in Article 144-octies of Consob Resolution no. 11971/99. Pursuant to that Consob resolution, those same documents have been made available to

the public at the registered office of the Company, at Borsa Italiana, and on the Company website and the storage mechanism authorised on April 20, 2015. Slate no. 1 was submitted by Camfin S.p.A. and Cam 2012 S.p.A., while slate no. 2 was submitted by a group of asset management companies and financial intermediaries. The Company issued a press release informing the market that those slates had been submitted;

- a copy of the documentation submitted by the shareholder Camfin S.p.A. on April 17, 2015 concerning item 2 on the agenda has also been handed out at the entrance. As shareholder of the Company, Camfin proposes that the Shareholders' Meeting confirm the appointment of Igor Sechin, Didier Casimiro, Andrey Kostin, Ivan Glasenberg, Petr Lazarev and Igor Soglaev as Directors. They had already been co-opted on July 10, 2014, leaving the number of Board of Directors seats unchanged, at fifteen. Andrey Kostin and Ivan Glasenberg have certified that they meet the prerequisites for qualification as Independent Directors. A copy of that Camfin letter was handed out at the entrance together with the candidates' curricula vitae. In this case as well, the Company issued a press release and notice on the Company website informing the market of the Camfin proposal;

- according to the information contained in the Register of Shareholders as supplemented by the notices received pursuant to Article 120 of Legislative Decree 58/1998 and the other information available to the Company, the following shareholders own voting shares totalling more than 2% of the ordinary share capital:

		Number of shares	% of ordinary share capital
1	CAMFIN SpA of which indirectly through . Cam 2012 SpA - 27,831,232 shares (5.85%)	124,612,324	26.19
2	MALACALZA INVESTIMENTI S.R.L.	33,206,664	6.98
3	EDIZIONE S.r.l. of which indirectly through . Schematrentaquattro S.p.A. – 13,850,197	21,336,756	4.48

	shares (2.91%)		
4	MEDIOBANCA S.p.A.	14,360,000	3.02

having announced that the Shareholders' Meeting is also attended by Paulson and Co. Inc. (which has declared its waiver of transmission of the notice of ownership pursuant to Article 120 Consolidated Law on Finance, as provided by the Consob Issuers' Regulation), with a total of 19,021,366 shares, representing 4% of the ordinary share capital.

Then, the Chairman:

- reminded the meeting that 351,590 ordinary shares, representing about 0.07% of the ordinary share capital, are also owned by Pirelli & C. S.p.A., while the subsidiaries do not own any Pirelli & C. S.p.A. shares;
- the list of names of those persons attending the meeting will be available at the entrance to the conference hall as soon as it is printed, and will then be appended to the minutes, complete with the additional information required under applicable regulations;
- asked the voting shareholders to indicate whether they are disqualified to vote pursuant to applicable laws and regulations;
- in regard to the existence of shareholders' agreements pursuant to Article 122 of Legislative Decree 58/1998, he informed the meeting that a folder was available at the entrance, containing the essential information required pursuant to Article 130 of Consob Resolution no. 11971/99 in regard to the shareholders' agreements notified to the Company;
- in regard to the transaction between Camfin and Chem China – notified to the market on March 22, 2015 – and the proposed public offer for purchase of Pirelli & C., he observed that, because it is not listed on the agenda of this Shareholders' Meeting and because Pirelli is the “target” of the transaction, no comments would be made here in that regard, and no additional information would be given beyond what was announced by the parties to the transaction with the press release of March 22, 2015. He only noted that when the annual financial statement figures were approved on March 31, 2015 – without prejudice to the opinions that the Independent Directors and Board of Directors of the Company will be legally obligated to give on the public offer for purchase when it is formally tendered – the Pirelli Board of Directors has taken note of the friendly nature of the transaction, whose characteristics – on

the basis of published information – are consistent with its industrial sector strategy, which already forecasts growth and business combination trends in geographically strategic areas like Asia;

- observed that the meeting was attended not only by the Chairman but also by:

-- the Directors Alberto Pirelli, Elisabetta Magistretti, Paolo Pietrogrande, Luigi Roth, Manuela Soffientini and Igor Soglaev, and all the Statutory Auditors, with the exception of Mr. Iacovino, whose absence was excused, like those of the other Directors;

-- representatives of the independent auditor, the press, financial experts and analysts, and the meeting staff members were present, as well as a group of students who had asked to attend the meeting;

-- the Common Representative of Savings Shareholders, Angelo Cardarelli;

- announced that Computershare S.p.A., the Company's Designated Representative, pursuant to Article 135-undecies of Legislative Decree 58/98, and the entity to which voting shareholders could give proxies with voting instructions on all or certain of the motions on the agenda, had informed him that it had not received any proxy;

- noted that the current versions of the Shareholders' Meeting Regulation and Company Bylaws were available at the entrance to the meeting hall;

- pursuant to Article 127-ter of Legislative Decree 58/98 (Consolidated Law on Finance – "TUF"), the shareholder Marco Bava submitted several questions to the Company before the Shareholders' Meeting today. As provided in the cited statute, a specific folder containing the answers to those questions has already been published on the Company website in a "question & answer" format. Shareholder Bava has also requested certain information about the shareholders attending the Shareholders' Meeting. This information is contained in the lists appended to these minutes. As requested by the shareholder, the answers given are appended to the minutes of this Shareholders' Meeting. The answers to some of them have been deferred until the Shareholders' Meeting today, pending approval by the Board of Directors of the interim management statement at March 31, 2015, which was given yesterday (and in particular questions no. 32, 35 and 37, to which an answer will be given during the meeting);

- so that all those present and willing to participate may do so, in exercise of their powers under the law and the Shareholders' Meeting Regulation, he set a maximum limit of 15 minutes on the length of each participant's comments. He asked everyone to comply with this time limit, to ensure orderly and fair proceedings, and to make comments pertinent to the agenda item being discussed at any one time. He also asked those who wished to speak on the various agenda topics to make a reservation by using the specific form (speaker request form) handed out during reception and to be sent to the specific speaker

station to his left. When their turn to speak would come up, they were supposed to step up to the microphone and not speak from their seat in the audience, so that every one might clearly hear them;

- he also announced that a recording system was operating in order to facilitate drafting of the minutes, and that a simultaneous translation service from Italian into English and from English into Italian was being used;

- he pointed out that the personal data collected by means of the sound recording, and those obtained during meeting registration, would be processed only for the purpose of properly managing the Shareholders' Meeting and preparation of its minutes. All data processing would be carried out in compliance with privacy laws;

- on the other hand, he pointed out that audio and video recordings of the meeting proceedings by participants were prohibited;

- he informed the meeting that, in view of facilitating the proceedings, the Company uses a specific information system for recording the presence of participants at the Shareholders' Meeting and during voting. He then mentioned the "radiovoter" voting system. He pointed out that the proxies wishing to cast different votes for the various shares that they represented should use the specific "assisted vote" station. If anyone had questions regarding the voting procedures, they could contact the meeting staff for assistance as necessary;

- he asked the participants not to leave the meeting hall and not to re-enter it during voting so that the number of people present might be accurately counted. He pointed out that the radiovoters would also be used to reveal people's presence every time they momentarily enter or exit the meeting hall, and that they must be returned to the meeting staff when they leave the Shareholders' Meeting for the last time or at its conclusion;

- since the documentation for each point to be discussed had been provided to the public long before the meeting date, as well as having been sent to anyone who requested it and also handed out when they entered the meeting room, he would not read it, as customary.

* * *

Then the Chairman turned to the **first item on the agenda**, in regard to the most important events to be reported after approval of the draft financial statements by the Board of Directors, on March 31, 2015. He first observed that the Board of Directors met yesterday and approved the interim management statements at March 31, 2015, provided to all meeting participants at the entrance to the meeting hall.

He then briefly reviewed the highlights for the first quarter. He pointed out that the first quarter 2015 results, which showed growth in the leading economic indicators, were characterised in particular by: continued growth of the premium segment; 6.5% growth in revenue to Euro 1,568.4 million; positive performance of the price/mix component (+3.7%); Euro 21.1 million in efficiency gains; 4.5% growth in operating income (EBIT) to Euro 210.1 million; net income from continuing operations of Euro 101.4 million; and a negative net financial (liquidity)/debt position of Euro 1,732.9 million. On the basis of these results, the Chairman pointed out that the 2015 targets announced in February had been confirmed. Finally, he pointed out that, in regard to the Memorandum of Understanding signed in 2014, Pirelli and Rosneft announced on April 16, 2015 that they had selected Synthos, a leading Polish manufacturer of chemical raw materials, as the technological partner with which they would develop research, production and supply of synthetic rubber at Nakhodka, which is part of the FEPCO (Far East Petrochemical Company) petrochemical complex. Pirelli, Rosneft and Synthos have consequently signed a Memorandum of Understanding to carry out feasibility studies on activities concerning the engineering design and operating requirements of the plants, as well as market studies, investments and estimates of operating costs. The three groups also intend to use the FEPCO petrochemical complex to make synthetic rubber, for the purpose of supplying the Pirelli plants located in the APAC area.

Before opening the floor to discussion, the Chairman announced that the fee charged by the accounting firm Reconta Ernst & Young S.p.A.:

- totalled euro 65,324, for a total of 970 hours, to audit the Annual Financial Report 2014 of Pirelli & C. S.p.A.;
- totalled Euro 125,209, for a total of 1,521 hours, to audit the Consolidated Financial Statements 2014 of the Pirelli & C. Group;
- totalled Euro 66,840, for a total of 746 hours, for the limited audit of the Half-Yearly Financial Report at June 30, 2014 of the Pirelli & C. Group.

As reported in previous years, these fees are in addition to the fee of Euro 14,000 for the activities connected with the fairness opinion on certain of the information contained in the Report on Corporate Governance and the Structure of Share Ownership 2014, pursuant to Article 123-bis of Legislative Decree 58/1998. The time and fees charged for auditing the annual report also included the billable time dedicated to auditing proper record-keeping by the Company and proper accounting of operations

in the Company ledgers. These fees do not include out-of-pocket expenses and the Consob supervisory fee, which are billed at cost.

The Chairman then mentioned that, as has become a tradition in recent years, Pirelli has developed a communication program for the annual financial report, to express the values of the firm in an innovative and original way. The draft Annual Financial Report 2014 was prepared with the collaboration of three internationally famous street artists, reinforcing the ties between Pirelli and contemporary art. The works of three artists – the naturalised Brazilian Marina Zumi, the German Dome and the Russian Alexey Luka, who interpreted the key values of Pirelli culture (emotion, art and technology) as inspired by the street – were presented to the press in Milan at the Hangar Bicocca last February 24. An integrated annual report has been prepared this year, representing another step in the evolving dialogue with all stakeholders. In a single volume that presents a unified and integrated account, it describes a year of company history that illustrates the entire process of value creation and documents the progress made on the Industrial Plan 2014-2017. As in previous years, the annual financial report figures will be available on the website and applications for tablets and smartphones.

Then the Chairman:

- gave answers to the questions submitted by shareholder Bava:
 - question no. 32 – At December 31, 2014 the Group's net financial (liquidity)/debt position totalled a negative Euro 1,732.9 million.
 - question 35 – The investments in associates and joint ventures rose from Euro 186.8 million at December 31, 2014 to Euro 211.9 million at March 31, 2015 (for an increase of Euro 25 million), mainly due to recognition of the investments in the associates Fenice S.r.l. (Euro +28.4 million) and Prelios (Euro -2.6 million) at equity.
The investments in other entities (which are classified under IFRSs as available for sale financial assets) rose from Euro 180.7 million at December 31, 2014 to Euro 226.8 million at March 31, 2015 (increase of Euro 46.1 million). This increase was principally related to Mediobanca (Euro +34.1 million) and RCS Mediagroup (Euro +4.7 million);
- question 37 – Net sales by the Group rose 6.5% in 1Q 2015 from the same period of 2014. Excluding the translation effect (positive 4.1%), aggregate growth was 2.4%, being buoyed by the Consumer Business (+5.1%) and partly offset by the downturn in the Industrial Business (-6.8%), which suffered especially from the market slowdown in South America;

- he then opened discussion by reminding everyone to make statements pertaining to the specific topic in question and that each speaker was subject to a 15-minute time limit. The shareholders would be able to vote upon conclusion of the questions, answers, and any replies.

Cini announced that he would vote in approval of the annual report, partly on account of the dividend that had been distributed, which he appreciated. He asked whether the sale of steel cord activities in Turkey might impact future dividends. He then made a number of general comments on the recent history of the Company, recalling the numerous accusations against the Chairman which ultimately proved unfounded, and criticising the attitude of the press, which has fomented these accusations all too often without recognising its own mistakes. Continuing he shared his impression that some of the recent unfounded accusations were aimed at sabotaging the announced public offer for purchase, and observed that leading investment banks were not involved in the deal. After mentioning his long history as a shareholder first of Caboto Milano Centrale and then, gradually, of Pirelli, the shareholder asked whether the public offer for purchase would have to be approved by the ordinary shareholders' and savings shareholders' meetings and, in that case, with what quorums. He also asked what consequences that the failure by certain big shareholders to accept the offer might have. Moreover, he asked what impact the transaction will have on Prelios – particularly on the shares owned by Pirelli and on the existing loan agreement – and on the investments in RCS and Mediobanca. He then asked what effects the Smart Grid Projects might have on the business at the European level. He censured criticism of the Chairman's compensation, which he considers well earned, and asked what tax rate applies to the Company profits and whether any further increases in the price of the public offer for purchase were expected, referring in this regard to the price adjustment previously imposed on the offer for Camfin. He concluded by expressing his appreciation for the work done by the Chairman, the Deputy Chairman, and their collaborators and for the attention that they have shown to shareholders. He also thanked the notary public for recording the minutes of the shareholders' meetings over the years.

Peverelli asked what reasons had led management to complete sale of the steel cord activities to Bekaert, holding that while the value realised from the sale was economically fair, it was not consistent with the human and financial efforts and enormous investments made to build the plants in Italy (Figline), Romania (Slatina), Brazil (Sumaré), Turkey (Ismitz) and China (Yanzhou). He pointed out

that the steel cord activities should not be sold, as demonstrated by the experience of other tyre makers, since steel cord is an essential raw material for tyre quality and a typical example of strategic vertical integration, considering the peculiar technology needed to make it.

Facchetti recalled the history of Pirelli over the last decade – as recently reprised in several press articles – which demonstrates that those who considered the Company without any future after the Telecom Italia episode were wrong. Specifically in regard to Telecom Italia, he also mentioned that talk is now resuming over the possibility of breaking up the network. This proves how in Italy, people always remain locked into their initial positions, without being able to resolve problems. Likewise, with the entry of Vivendi, possibilities of integration between content and operator activity are opening up. This possibility was floated years ago by none other than Mr. Tronchetti with Murdoch, but they met with a hostile reaction from the political world. Returning to Pirelli, he expressed his satisfaction with its management over the past several years and the proposed public offer for purchase. He asked whether the Chairman had any regrets and expressed his own appreciation for the capacity demonstrated by the Chairman himself even during the most difficult moments. In particular, he recalled the critical moments culminating with a press conference at the Principe di Savoia Hotel, moments after Pirelli had decided to relaunch itself brilliantly by focusing on the premium segment. Concluding, he hoped that the Chairman would remain a resource for the Company even after the eventual success of the public offer for purchase.

Cardillo began by expressing his intention to limit his remarks to a general topic, albeit related to the resolution under discussion, i.e. the macroeconomic scenario described on page 10 of the annual report. He said that his comments would conclude with a request for a slight correction to the resolution on profits. Mr. Cardillo then mentioned that he had been interested in macroeconomics for some time – having studied it at university at the same time he was studying law, and even having taught it in Switzerland – and having elaborated the following opinions at the time.

The replacement of national currencies with a single currency renders ineffectual any monetary intervention on economies and business cycles that are absolutely diverse and heterogeneous, such as the German, French, Greek or Italian economies. Consequently, temporary measures such as the quantitative easing implemented by the ECB are absolutely inadequate in overcoming these structural differences. Likewise, it cannot be reasonably expected that an economic recovery generating a modest increase in GDP can result in a significant reduction in public debt. He pointed out how the current

situation is unprecedented, and economic disciplines say nothing in regard to how a large debt such as Italy's can be reduced without national management of the currency and interest rates. The shareholder continued by emphasising how the first significant increase in interest rates by the ECB that will be necessary, e.g. to cool down the German and/or French economies, would knock the Italian economy off balance, rendering its management precarious. Mr. Cardillo reiterated that centralised monetary management then leads to the impossibility of conventional management of enormous national public debts, such as that of Italy. In fact, national currencies have been historically used to reduce the burden of a national debt that has become excessive, through devaluation of the currency and/or manipulation of interest rates. It is from this fact that many people think of returning to the old national currencies for more punctual and effective management of the individual economies.

The shareholder pointed out that he has formed an opinion on these issues over the years, although these opinions are those of a “partially incompetent” individual in economic terms. However, Mr. Cardillo recalled that almost all of the most important discoveries have not originated with the experts in a specific sector, but with persons who are somehow outside it and as such not afflicted by “specialised idiocy”, i.e. by overly specialised knowledge. He explained that his opinions and ideas are prompted instead by other disciplines, such as linguistics, which are only apparently far removed from economics. In this regard, he cited the importance of the ideas set out in McLuhan's work *Understanding Media: the Extensions of Man*.

Returning to the problematic macroeconomic situation, Mr. Cardillo emphasised how necessary it was to create a regulatory and economic tool that would allow “resolution” of the economic contingency in lieu of the national currency and modify at the local level the rate changes decided centrally by the ECB. This “tool” was supposed to regulate demand, allowing management of the specific peculiarities of each individual country, and rendering the monetary flows necessary for management of the public debt coherent with the demands of the local economic contingency. On those bases, Mr. Cardillo mentioned that he had prepared an easy to apply a very effective “regulatory and economic tool” for unconventional management of the economy, which would allow nearly immediate intervention in the business cycle and thereby manage to alter significantly, in very short time, decisions on consumption – by increasing or reducing it – and consequently altering profits and investments in the same direction. On the basis of the foregoing the shareholder proposed modifying the resolution for the distribution of profits, by allocating Euro 50,000 to support and dissemination, specifically through advertisements in leading newspapers, of the regulatory and economic tool created by Mr. Cardillo, without necessarily agreeing with it but allowing it to be known generally, and thus known also by politicians. The

shareholder concluded his remarks by mentioning that the Chairman had received a degree honoris causa from the Università Bocconi, expressing his own thanks to the Chairman's collaborators for their assistance demonstrated even today during registration for the shareholders' meeting, and also mentioning his wife's participation at the meeting.

Caradonna highlighted the importance of an asset that, if it were included in the Annual Financial Report, would represent one of the strengths of Pirelli: its web reputation. In fact, he recalled that during a recent survey of the web reputation of all Italian companies, Pirelli came in second place. This result is the fruit of the attention that has always been devoted to the web and the world of internet. He also expressed his appreciation for the initiative *Io leggo perché* (“I read because”) and concluded by requesting an update on the *Pirelli Drive Center* project.

D’Atri, after making several general comments on the role of the shareholders' meeting as an opportunity for meeting the stakeholders in the context of corporate governance, hoped that this encounter between shareholders and management would be maintained even if the Company were delisted. Then, in regard to the agreements between Camfin and Chem China, Prof. d’Atri asked whether they envisaged, alongside the usual economic undertakings, commitments by the new partners in regard to maintaining employment levels, work quality, product quality, and so on. He concluded by asking whether, if it were listed anew after delisting, Pirelli would be listed on the Italian stock market.

With no one else asking for the floor, the **Chairman** proceeded to give his answers. First of all, he explained that the sale of the steel cord business in Turkey has only a marginal impact on the dividend, and its impact is already consistent with the Group payout policy. He then reiterated that he did not think it was appropriate to comment at this meeting on the public offer for purchase, since it is a matter on which the Board of Directors would have to express its opinion in the appropriate venues. He then dwelt on the equity investments mentioned by Cini (Prelios, RCS and Mediobanca), recalling that Prelios has undergone a long “therapeutic recovery”, demonstrating its capacity to emerge from the profound crisis afflicting the real estate sector while meeting all of its obligations to the financial system, as is the tradition of the Group, and simultaneously pursuing the objective of recovering the profitability of the firm and returning to full operational capacity, an objective which it is homing in on. In regard to RCS, he recalled that Pirelli has supported its restructuring effort and now expects to see

the results, while in regard to the investment in Mediobanca, he pointed out that no initiative is planned in the short term.

The Chairman then dwelt briefly on the issue of *Smart Grid Projects*, hoping that modernisation of the network would be accompanied by structural changes – including in regard to the number of operators – that would increase the competitiveness of the European system as compared with that of other international markets, like the United States.

In regard to management compensation, he pointed out that it has always been determined on the basis of international standards and on the basis of a transparent procedure involving independent directors and specific committees. Referring to certain events in the past, he pointed out that the criticism made at the time against the stock options resulting from the Cisco and Corning transactions was part of the mere polemics that were invented ad hoc. The Chairman recalled that those transactions which were able to generate great value for everyone, and he recalled that he decided to conclude the deal several months early in 2001, thereby subjecting himself to personal taxation at a rate of nearly 50%, which was much more costly than the rate applicable the following year. In general terms, Mr. Tronchetti Provera then claimed credit for the results achieved by the Group over the years, which resulted from the commitment and work of its management, with its capitalisation rising from Euro 1.6 billion to about Euro 7.5 billion. He emphasised how, in order to avoid distortions that would be caused by the recent exceptional results it has achieved, a cap had been set on the remuneration of the top managers.

In regard to the purchase price of Camfin shares as part of the public offer for purchase, the Chairman remarked that a lawsuit filed by the sponsors of the bid is pending after a decision by the Regional Administrative Tribunal (“TAR”). He confirmed that the bidders believe that the price increase requested by Consob is unjustified. Responding to Peverelli, the Chairman noted that in the steel cord business, Pirelli had a production capacity amounting to 140% of company needs and, as manufacturer, it did not have access to the products of competitors like Bekaert. Consequently, Pirelli found itself in less than an ideal situation. Consequently, it issued an international call for tenders, which was won by none other than Bekaert, i.e. the world's best steel cord maker in technological terms. Following that competitive bidding process, agreements were made with decreasing global conditions, which also allow Pirelli to continue developing technology in-house. He continued by saying that the sale transaction allowed the Company to improve its financial position by about Euro 230 million, avoiding the risk of a reduction in profitability, while at the same time allowing it to maintain employment levels at Figline Valdarno, where the agreement has been approved by the trade unions and appreciated by employees. Responding to Facchetti, the Chairman expressed his gratitude for Facchetti's constancy

and goodwill including friendly criticism towards the Company, and assured him that his own efforts had always been aimed at working hard in the best interests of the Group, without ducking his responsibilities and while trying to make up for the mistakes he has made. Likewise, he has endeavoured to remain in play even at the most difficult times, except in one case, i.e. when the firm opposition of a broad spectrum of political forces risked causing irreparable harm to the company.

He then took note of Cardillo's project and assured that it would be considered, as are all potentially interesting projects in support of developing the economy. However, he pointed out that he had not received any degrees *honoris causa* from the Università Bocconi.

He then thanked Caradonna for having recalled *Io leggo perché*: this initiative, whose protagonists are books and readers, is aimed at restoring a passion for reading in young people, so that they keep their attention on books as a tool that – as compared with technological tools – allows more profound and personal reading and reflection. He then pointed out that the *Pirelli Drive Center* project is generating good results, and will be developed partly by reinforcing the brand in other countries. The hope is that it might become one of the pillars for future development of commercial activity, partly due to the involvement of management in the activity of sales outlets. Finally, he assured Prof. d'Atri that the dialogue with shareholders will continue even after delisting, in the sense of maximum transparency in relations with all stakeholders.

Cini asked what tax rate applies to the Company and if there will be another shareholders' meeting after the public offer for purchase. He urged devoting maximum attention to the research activity of Pirelli Labs.

In regard to taxes, the **Chairman** explained that the IRES (corporate income tax) rate amounted to 27.5%. He noted that the any decision in regard to the shareholders' meeting would depend on the outcome of the public offer for purchase. In regard to research, he mentioned the large number of researchers working for Pirelli and emphasised that the Pirelli Group is the second Italian company after Telecom Italia in terms of the number of patents it holds. So, he assured that the greatest possible attention would be devoted to research, which represents the future of a company such as Pirelli which, like any manufacturing company, has to focus on technology. He then cited the current research projects, which are concentrated on the creation of a new generation of products, which are mainly characterised by sensors capable of providing information that can come only from the tyre, the only part of the car to touch the ground, in terms of stability, comfort, safety, environment and consumption.

Cini recommended that the Company also remedy the excessive hardness of agricultural equipment tyres.

The **Chairman** assured him that attention is being devoted to this problem. He also recalled that since they are tyres for agricultural use, they have to adapt themselves to farmland.

Cardillo again brought up his proposal to change the allocation of profits, and further illustrated the “regulatory and economic tool” that he had created. Far from participating in the debate between proponents and opponents of the Euro, that tool represents a corrective measure to give individual local economies the possibility of recovering management of the economy itself. It is difficult to coordinate the business cycles of individual European countries with each other, and thus the centralisation of monetary policies and rates will continue to grow as a problem. He confirmed that this constituted a real discovery capable of modifying internal demand with very precisely and relatively easily, by introducing tools that have never been used before, partly considering that a situation like the one in Europe today has never occurred until now. He reminded the meeting participants that traditionally problems like public debt reduction had been managed by means of manoeuvres combining interest rates and monetary measures, an option which individual European countries could no longer use. Therefore, he insisted on requesting that his proposal be taken up for consideration, and to allow that it be given its own publicity and dissemination, considering the objective difficulty of finding space in the media today.

The **Chairman** assured him that his proposal would be assessed by Company offices and noted that the motion for distribution of profits made by the Board of Directors would be put up for vote before any others.

With no one else asking to speak, the Chairman:

- declared that discussion on the first item of the agenda was closed;
- he announced that **909** shareholders owning a total of **316,097,144** ordinary shares, representing **66.443230%** of the ordinary share capital, in their own right or by proxy would be voting on the resolution;
- put the proposed motion up for vote with the radiovoter at 4:04 p.m., and it is transcribed here as follows:

“The Shareholders’ Meeting:

- - *having examined the Annual Financial Report at December 31, 2014;*
- - *having taken note of the report of the Board of Statutory Auditors;*

- - having taken note of the report of the independent auditors;

RESOLVES

a) to approve the financial statements of the Company for the year ended December 31, 2014, as presented by the Board of Directors, in their entirety and their individual captions, with the provisions proposed, which show a net income of Euro 257,963,959;

b) to allocate the 2014 net income of Euro 257,963,959 as follows:

– 5% to the legal reserve for to the shareholders:	Euro 12,898,198
– Euro 0.367 ^(*) to each of the 475,388,592 ^(**) ordinary shares, for a total of	Euro 174,467,613
– Euro 0.431 ^(*) to each of the 11,842,969 ^(***) savings shares, for a total of	Euro 5,104,320
– the remainder to retained earnings	Euro 65,493,828

(*) Before the required withholding taxes.

(**) Net of the 351,590 ordinary shares currently owned by the Company.

(***) Net of the 408,342 savings shares currently owned by the Company.

c) to authorise the directors, if treasury shares are purchased or sold before the dividends specified at sub-indent b) above are paid, to allocate to and/or draw the amount of the dividend related to those shares from retained earnings, and to allocate to that same item the balance of the rounding that might result on payment of the dividend.

The dividend for 2014 will be collectible from May 20, 2015, with coupon detachment date on May 18, 2015 (record date on May 19, 2015).”

The majority of the Shareholders' Meeting approved the resolution.

100,000 shares voted against.

33,406,667 shares abstained.

The remaining 282,590,477 shares present at the meeting voted in favour.

All of these results are illustrated in the enclosed details.

The Chairman proclaimed the result by acknowledging that the following had been approved:

- the annual financial report of Pirelli & C. S.p.A. at December 31, 2014;
- allocation of net income for 2014.

The dividend for 2014 will be collectible from May 20, 2015, with coupon detachment date on May 18, 2015 (record date on May 19, 2015).

* * *

Proceeding to discussion of the **second item on the agenda**, the Chairman recalled that:

- as previously mentioned, the motion made by the shareholder Camfin calls for confirmation of all the Directors who were co-opted on July 10, 2014, and specifically:

Igor Sechin;

Didier Casimiro;

Andrey Kostin;

Ivan Glasenberg;

Petr Lazarev;

Igor Soglaev;

with the total number of seats on the Board of Directors remaining unchanged at 15;

- Andrey Kostin and Ivan Glasenberg have certified that they meet the prerequisites for qualification as as Independent Directors;

- the curricula vitae of the aforementioned candidates are contained in the documents handed out at the entrance to the meeting hall, together with the letter in which Camfin made its motion. As previously mentioned, that motion was promptly published by the Company on its website; therefore, it was not read aloud at the meeting.

He then opened discussion by reminding everyone to make statements pertaining to the specific topic in question and that each speaker was subject to a 15-minute time limit.

With no one asking to speak, the Chairman:

- declared that discussion on the second item of the agenda was closed;

- he announced that **907** shareholders owning a total of **316,095,780** ordinary shares, representing **66.442943%** of the ordinary share capital, in their own right or by proxy would be voting on the resolution;
- therefore, he put the Camfin motion up for vote by means of the radiovoter at 4:08 p.m., with said motion proposing the appointment of Igor Sechin, Didier Casimiro, Andrey Kostin, Ivan Glasenberg, Petr Lazarev and Igor Soglaev as Directors. They had already been co-opted on July 10, 2014, leaving the number of Board of Directors seats unchanged, at fifteen.

The majority of the Shareholders' Meeting approved the resolution.

84,286,189 shares voted against.

35,973,372 shares abstained.

560,092 non-voting shares.

The remaining 195,276,127 shares present at the meeting voted in favour.

All of these results are illustrated in the enclosed details.

The Chairman proclaimed the result.

* * *

Proceeding to discussion of the **third item on the agenda**, the Chairman recalled that:

- according to the terms and conditions set out in Article 16 of the Bylaws and applicable laws, including regulatory provisions, and in compliance with the provisions of the Corporate Governance Code of listed companies, two slates of candidates had been filed at the Company head office. All the additional documentation required under current statutory provisions and the Bylaws has been filed together with the slates;
- as previously mentioned at the beginning of the shareholders' meeting, the Company published the slates in compliance with the provisions of Article 144-octies of Consob Resolution no. 11971/99. In particular, on April 20, 2015, the Company issued a press release announcing:
 - that the two slates of candidates had been submitted by Camfin and its subsidiary Cam 2012 and by a group of asset management companies and financial intermediaries by the scheduled deadlines;
 - the composition of the submitted slates;

- the information and documentation submitted by the shareholders together with the slates had been published on April 20, 2015 at the registered office of the Company, at Borsa Italiana, and on the Company website and authorised storage mechanism “Info” in accordance with applicable laws and regulations;
- all the candidates had declared that they satisfied the prerequisites for classification as independent directors pursuant to the Corporate Governance Code of listed companies and that, if elected, they would hold a number of positions compatible with the limits imposed in this regard by Consob;
- the following two slates were submitted:

Slate number one, submitted by Camfin S.p.A. and its subsidiary Cam 2012 S.p.A.

Section 1 – Standing Statutory Auditors

1. Fabio Artoni;
2. Antonella Carù;
3. Alessandro Zattoni.

Section 2 – Alternate Statutory Auditors

1. Fabio Facchini;
2. Giovanna Oddo;
3. Elenio Bidoggia.

Slate number two, submitted by a group of asset management companies and financial intermediaries:

Section 1 – Standing Statutory Auditors

1. Francesco Fallacara.

Section 2 – Alternate Statutory Auditors

1. Andrea Lorenzatti.

- the candidates' curricula vitae and the positions they held – updated today – are contained in the folder that has been handed out and appended to the minutes of the shareholders' meeting, partly in compliance with the provisions of Article 2400, last paragraph, of the Italian Civil Code; partly on account of the notoriousness of the candidates, their curricula vitae were not read aloud;
- a total of six members of the Board of Statutory Auditors (three Standing Statutory Auditors and three Alternate Statutory Auditors) must be appointed now;
- moreover, Camfin S.p.A. has proposed, partly on the basis of the duties assigned to the Board of Statutory Auditors under Legislative Decree 39/2010 and the possibility of delegating that body with the functions of Supervisory Body, to set the gross annual compensation of the Standing Statutory

Auditors at Euro 50,000 and the gross annual compensation of the Chairman of the Board of Statutory Auditors at Euro 75,000;

- the submitters of the second slate also declared on filing, in light of available information on significant shareholdings or the publication of shareholders' agreements, that there were no links as envisaged in Article 148-ter, paragraph 2, of the Consolidated Law on Finance (“TUF”);

Before opening discussion, the Chairman expressed his personal gratitude and that of the Board of Directors to the current members of the Board of Statutory Auditors for the work that they had performed during their mandate and their demonstrated professional expertise.

He then opened discussion by reminding everyone to make statements pertaining to the specific topic in question and that each speaker was subject to a 15-minute time limit.

Croce requested confirmation that the first candidate proposed by Camfin and Mrs. Artoni, member of the Board of Directors, were not relatives of each other.

The Chairman confirmed this.

With no one else asking to speak, the Chairman:

- declared that discussion on the third item of the agenda was closed;
- he announced that **908** shareholders owning a total of **316,095,782** ordinary shares, representing **66.442944%** of the ordinary share capital, in their own right or by proxy would be voting on the resolution;
- put the submitted slates up for vote with the radiovoter at 4:16 p.m.

The vote gave the following results

20,478,153 shares voted against.

33,369,618 shares abstained.

167,448,332 shares voted in favour of Slate no. 1.

94,799,679 shares voted in favour of Slate no. 2.

All of these results are illustrated in the enclosed details.

The Chairman proclaimed the result by acknowledging that:

- slate number 1 had received the majority of votes cast at the shareholders' meeting, and from which two Standing Statutory Auditors and two Alternate Statutory Auditors would thus be elected in the order that they were listed, and specifically:

- Fabio Artoni and Antonella Carù as Standing Statutory Auditors;
- Fabio Facchini and Giovanna Oddo as Alternate Statutory Auditors;
- the remaining two members of the Board of Statutory Auditors were consequently drawn from slate number 2, and specifically:

- Francesco Fallacara as Standing Statutory Auditor.
- Andrea Lorenzatti as Alternate Statutory Auditor;

- following this election of Statutory Auditors, effective for the financial years 2015, 2016 and 2017, pursuant to the provisions of Article 16 of the Bylaws, the Chairman of the Board of Statutory Auditors shall be Francesco Fallacara, named first on the slate submitted by a group of asset management companies and financial intermediaries, which received fewer favourable votes from the shareholders' meeting than the other slate;

- the composition of the Board of Statutory Auditors resulting from the election complies with the provisions of law and the Bylaws concerning "gender quotas";

- the complete list of management and control positions held by the elected statutory auditors at other companies will be appended to the minutes of the shareholders' meeting.

Then, without any in change in the shareholders present at the meeting, he then put the Camfin S.p.A. proposal up for vote by radiovoter at 4:19 p.m. This proposal was made partly on the basis of the duties assigned to the Board of Statutory Auditors under Legislative Decree 39/2010 and the possibility of delegating that body with the functions of Supervisory Body setting the gross annual compensation of the Standing Statutory Auditors at Euro 50,000 and the gross annual compensation of the Chairman of the Board of Statutory Auditors at Euro 75,000.

The majority of the Shareholders' Meeting approved the resolution.

106,962 shares voted against.

34,213,228 shares abstained.

560,092 non-voting shares.

The remaining 281,215,500 shares present at the meeting voted in favour.

All of these results are illustrated in the enclosed details.

The Chairman proclaimed the result.

* * *

Proceeding to discussion of the **fourth item on the agenda**, the Chairman observed and remarked that:

- beginning with the shareholders' meeting held in April 2011 – one year in advance of the statutory deadline – the Pirelli Group Remuneration Policy was put up for an advisory vote by the shareholders' meeting

- the Policy put up for vote this year has been prepared on the basis of the Policy implemented over the previous years and experience in doing so, and also reflects the regulatory requirements adopted by Consob, as well as adoption in 2014 of a Long Term Incentive Cash Plan for the period 2014-2016 (“LTI Plan”) in support of the new Industrial Plan 2013-2017. The Policy has been revised since the version adopted last year. This has been done to simplify its structure, without changing its contents, and to provide additional details on the structure of remuneration, particularly in regard to the targets of the incentive systems that determine the short-term and medium-long term variable components for top management. Moreover, it has been envisaged that the annual incentive plans (MBO) and multi-year plans (LTI) adopted by Pirelli after January 1, 2015 in favour of: Directors vested with executive authority be delegated specific duties, General Managers and Managers with strategic responsibilities include, inter alia, “clawback” mechanisms;

As envisaged in Article 123-ter of Legislative Decree 58/98, the Remuneration Report is broken down into two distinct sections:

I. the first section illustrates:

- a) the Pirelli Remuneration Policy for Directors, General Managers and Managers with strategic responsibilities, as well as the general Pirelli Policy covering the remuneration of all management;
- b) the procedures used to adopt and implement this Policy.

II. the second section, personally concerning the individual members of the management and control bodies, the General Managers and, in aggregate form, the Managers with strategic responsibilities:

- a) provides an adequate representation of each of the items that compose remuneration, including the treatment applicable when the office holders leave their positions or terminate their employment relationship, highlighting the consistency with the Policy approved during the

previous year;

- b) accounts for the compensation paid in 2014 for any reason and in any form by the Company and the subsidiaries or associated companies, while reporting components of the aforementioned compensation that can be related to activities performed in years prior to the reference year and also highlighting the compensation to be paid in one or more subsequent financial years for the activity performed during the reference year, possibly indicating an estimate for the components that cannot be objectively quantified in the reference year.

- as envisaged in the Consolidated Law on Finance (Legislative Decree 58/1998), the Shareholders' Meeting must hold an advisory vote on the portion of the Remuneration Report indicated in the first cited section;

- the report has been approved by the Board of Directors after it was approved by the Remuneration Committee, which is composed entirely of independent directors. The report also describes the terms and conditions for exercise of the functions performed by that Committee.

He then opened discussion by reminding everyone to make statements pertaining to the specific topic in question and that each speaker was subject to a 15-minute time limit. The shareholders would be able to vote upon conclusion of the questions, answers, and any replies.

With no one asking to speak, the Chairman:

- declared that discussion on the fourth item of the agenda was closed;

- he announced that **908** shareholders owning a total of **316,095,782** ordinary shares, representing **66.442944%** of the ordinary share capital, in their own right or by proxy would be voting on the resolution;

- put the Pirelli Group Remuneration Policy up for vote with the radiovoter at 4:25 p.m.

The majority of the Shareholders' Meeting approved the resolution.

12,951,115 shares voted against.

33,966,678 shares abstained.

560,092 non-voting shares.

The remaining 268,617,897 shares present at the meeting voted in favour.

All of these results are illustrated in the enclosed details.

The Chairman proclaimed the result and acknowledged that the Shareholders' Meeting had expressed its advisory vote in favour of the Group Remuneration Policy as set out in the report submitted by the Board of Directors.

* * *

Proceeding to discussion of the **fifth item on the agenda**, the Chairman observed and remarked that:

- as indicated in the Report cited on page 372 of the Annual Report, it was proposed that insurance be obtained to cover the civil liability of the members of company bodies and management against the risk that, in the course of performing their duties, they cause financial losses to third parties or to anyone having an interest in the Company. Such policies are commonly called “Directors’ and Officers’ Liability Insurance” or, more simply “D&O” policies. Benchmarking of Pirelli in comparison with companies having characteristics similar to those of Pirelli was carried out in order to determine the position of Pirelli as compared with the biggest firms that have already adopted such coverage;
- the principle terms and conditions of the policy are listed as follows:

Term: 12 months;

Annual premium: Euro 2 - 2.5 million;

Maximum coverage limit: Euro 120 - 150 million.

Deductibles apply to the different associated risks.

The Chairman pointed out that the proposal to the Shareholders' Meeting involves granting authorisation to the Board of Directors to make a D&O insurance policy, according to what is described in the Report prepared by the Directors. He then opened discussion by reminding everyone to make statements pertaining to the specific topic in question and that each speaker was subject to a 15-minute time limit. The shareholders would be able to vote upon conclusion of the questions, answers, and any replies.

With no one asking to speak, the Chairman:

- declared that discussion on the fifth item of the agenda was closed;

- he announced that **908** shareholders owning a total of **316,095,782** ordinary shares, representing **66.442944%** of the ordinary share capital, in their own right or by proxy would be voting on the resolution;

- put the proposed motion up for vote with the radiovoter at 4:28 p.m., and it is transcribed here as follows:

“The Ordinary Shareholders' Meeting, having taken note of the Directors' proposal;

RESOLVES

a) to authorise the Board of Directors to make a Directors & Officers Liability insurance policy, according to the terms and conditions illustrated hereinabove;

b) to grant the Board of Directors and, on its behalf, the Chairman and Chief Executive Officer, all and full power as necessary to stipulate the D&O policy and, regardless, to implement the aforementioned resolution, either directly or through attorneys.”

The majority of the Shareholders' Meeting approved the resolution.

3,614,171 shares voted against.

33,966,668 shares abstained.

560,092 non-voting shares.

The remaining 277,954,851 shares present at the meeting voted in favour.

All of these results are illustrated in the enclosed details.

The Chairman proclaimed the result and then acknowledged that the Shareholders' Meeting had approved granting authorisation to the Board of Directors to stipulate a Directors & Officers Liability insurance policy, in accordance with the terms and conditions set out in the specific Report, and to grant the Board of Directors and, on its behalf, the Chairman and the Chief Executive Officer a mandate to implement the resolution.

* * *

Proceeding to discussion of the **sixth item on the agenda**, the Chairman:

- recalled that the reasons why the Board of Directors requested the renewal of authorisation have been illustrated in detail in the report included in the Annual Report, from page 374 to page 377, which also indicates the related motions to be resolved;
- remarked that when the Board of Directors requested the renewal of authorisation, it excluded from its request – just as in the previous year – the right to make purchases of treasury shares through the purchase and sale of derivative financial instruments traded on regulated markets that require delivery of the physical certificates of the underlying shares, although this case falls among those envisaged in Article 144-bis, sub-indent c) of the Issuers Regulation;
- he reconfirmed that this involves a useful technical instrument provided to the Board of Directors, even if its use is not envisaged at this time. He also stated that in 2014 and in this first half of 2015, no purchases or sales of treasury shares had been made.

He then opened discussion by reminding everyone to make statements pertaining to the specific topic in question and that each speaker was subject to a 15-minute time limit. The shareholders would be able to vote upon conclusion of the questions, answers, and any replies.

With no one asking to speak, the Chairman:

- declared that discussion on the fifth item of the agenda was closed;
- he announced that **908** shareholders owning a total of **316,095,782** ordinary shares, representing **66.442944%** of the ordinary share capital, in their own right or by proxy would be voting on the resolution;
- put the proposed motion up for vote with the radiovoter at 4:30 p.m., and it is transcribed here as follows:

"The Ordinary Shareholders' Meeting:

- *having acknowledged the Directors' proposal;*
- *having regard to the provisions set out under Article 2357 and Article 2357-ter of the Italian Civil Code, Article 132 of Legislative Decree 58 dated February 24, 1998, and Article 144-bis of the Issuers Regulations adopted by Consob with Resolution No. 11971 dated May 14, 1999, as subsequently amended;*
- *having acknowledged that, today, the Company owns directly 351,590 ordinary treasury shares, corresponding to 0.07% of the category as well as of the entire share capital and 408,342 savings treasury shares, corresponding to 3.3% of the class share capital and corresponding to*

0.084% of the entire share capital, while no Pirelli & C. shares are held by its subsidiaries;

- *having regard to the financial statements closed at December 31, 2014;*
- *having ascertained the opportunity of renewing the authorisation to execute transactions to purchase and dispose of treasury shares for the purposes and based on the procedures illustrated above.*

RESOLVES

a) to authorise the Board of Directors to purchase both ordinary and savings treasury shares, and regardless within the maximum limit envisaged under Article 2357, paragraph 3 of the Italian Civil Code, and more precisely, up to a maximum number of shares that do not exceed 10% of Pirelli's pro-tempore share capital, taking into account the treasury shares already held by the Company and the treasury shares which may be held by its subsidiaries, establishing that:

- *the purchase may be made, in one or more sessions, within 18 months from the date of this resolution, using any of the procedures envisaged in the joint provision set out under Article 132 of Legislative Decree No. 58 of February 24, 1998, sub-indent a), b) and d) of the Issuers Regulation adopted by Consob with resolution No. 11971 dated May 14, 1999, as subsequently amended, taking into account the specific exemption envisaged under Article 132, paragraph 3 of Legislative Decree No. 58 dated February 24, 1998, and however, using any other procedure permitted by the applicable national and European Union legislative and regulatory provisions which govern the subject and in accordance with every other applicable law and regulation, including the national and European Union legislative and regulatory provisions, also with reference to market abuse, with the sole exception of the purchase procedures set out under Article 144-bis, sub-indent c), of the Issuers Regulation cited hereinabove;*
- *adequate information shall be provided concerning the transactions to purchase treasury shares, in compliance with the applicable information obligations;*
- *the purchase price of each share shall not be less than or greater than 15% compared to the weighted average of the official stock exchange prices of shares registered by Borsa Italiana S.p.A. in the three sessions prior to each individual transaction;;*
- *the purchases of treasury shares shall be executed by using the distributable net income and unrestricted reserves disclosed in the last regularly approved financial statements at the date the transaction is executed, by establishing a treasury shares reserve, and however, proceeding to perform the required accounting entries in accordance with the methods and limits prescribed by law;*

in any event, the foregoing shall be in accordance with and shall comply with any other applicable provisions of law and the pro-tempore regulatory provisions which govern the subject;

b) to authorise, in full or in part, without time limits, the disposal of the treasury shares purchased, both directly and through intermediaries, in accordance with the resolution set out at sub-indent a), even before having exercised in full the authorisation to purchase treasury shares, by providing that:

- the disposal may be executed in accordance with the purposes and using any of the procedures permitted by law, including use of treasury shares to service share incentive plans, and in accordance with every other applicable law and regulation, including national and European Union legislative and regulatory provisions, with reference to market abuse;*
- adequate information shall be provided with reference to the transactions to dispose of treasury shares, in compliance with the applicable information obligations;*
- the treasury shares may be transferred in one or more sessions and at any time, also based on a public offer, an offer to shareholders, on the market or in the framework of possible extraordinary transactions. The shares may also be transferred by being combined with bonds or warrants to exercise the foregoing, and however, in accordance with the procedures permitted by the applicable provision of law or regulatory provision, at the Board of Directors' discretion;*
- the disposals of treasury shares may be executed at the price, or however, in accordance with the conditions and the criteria determined by the Board of Directors, having regard to the execution procedures adopted, to the trend of share prices during the period prior to the transaction and to the Company's best interests;*
- in any event the disposals may be executed in accordance with the procedures permitted by the applicable provisions of law and the regulatory provisions, at the Board of Directors' discretion;*

c) to execute every accounting entry necessary or appropriate, in relation to the transactions concerning treasury shares, in accordance with Article 2357-ter, paragraph 3 of the Italian Civil Code, in compliance with the current provisions of law and the applicable accounting standards;

d) to grant the Board of Directors – and the Chairman and/or Chief Executive Officer on its behalf – all and full powers as necessary to execute purchases and disposals of treasury shares, including by means of transactions executed one after the other and, regardless, to implement the aforementioned resolutions, including by means of attorneys, by complying with might be requested by the competent authorities.”

The majority of the Shareholders' Meeting approved the resolution.

2,630,611 shares voted against.

33,966,668 shares abstained.

560,092 non-voting shares.

The remaining 278,938,411 shares present at the meeting voted in favour.

All of these results are illustrated in the enclosed details.

The Chairman proclaimed the result by acknowledging that the proposal by the Board of Directors for authorisation to purchase and the procedures for disposal of treasury shares had been approved.

Having completed discussion of the agenda, the Chairman announced that the Shareholders' Meeting was terminated at 4:30 p.m.

The Secretary

(signed Carlo Marchetti)

The Chairman

(signed Marco Tronchetti Provera)

OMITTED: APPENDICES