

at least 85% of the share capital of Pirelli Tyre (barring the case that Pirelli Tyre is not incorporated in or does not incorporate Pirelli & C. or in another company of the Pirelli Group); (ii) a party other than one or more of the shareholders participating in the Pirelli Shareholders' Agreement (provided Camfin S.p.A. continues to participate as the first shareholder of Pirelli & C. among the participants) holds more than 50% of the share capital of Pirelli & C. with voting rights or acquires the right to appoint or remove the majority of the members of the Board of Directors²; (iii) Camfin S.p.A. no longer holds (directly or indirectly) at least 20% of the share capital of Pirelli & C. with voting rights.

A similar clause is envisaged, except for the provision indicated in point (iii) above: (a) in the agreement entered into among Pirelli & C., Pirelli Tyre and Pirelli International Ltd. and a pool of lending banks in relation to granting Pirelli a revolving line of credit amounting to 1.2 billion euro; (b) in the bond loan issued by Pirelli International Limited on the American market for an overall value of 150 million American dollars and guaranteed by Pirelli Tyre; (c) in the "Schuldschein" loan obtained by Pirelli International Limited and guaranteed by Pirelli & C. and by Pirelli Tyre for 155 million euro, overall.

Lastly, it is important to note that the joint venture agreement currently in place between Pirelli Tyre and PT Astra Otoparts Tbk envisages that in the event of a change of control of one party, the other party shall have a so-called right to terminate the joint-venture. In particular, if the change of control concerns Pirelli Tyre then PT Astra Otoparts Tbk would have a so-called put option to sell its shareholding to Pirelli, whereas in the opposite case, Pirelli Tyre would have a so-called call option to purchase the shareholding owned by PT Astra Otoparts Tbk.

Statutory provisions concerning a public purchase offer

On a preliminary count, it is important to remember that Article 104 of the Unified Finance Law (TUF) envisages that Italian listed companies whose securities are subject to the offer shall refrain from executing actions or transactions which may conflict with achieving the offer's objectives (so-called passivity rule), barring an authorisation by the Shareholders' Meeting. It is also envisaged that the companies' bylaws may derogate from the passivity rule foreseeing that the Board of Directors may adopt "defensive measures", even without an authorisation expressed in this sense by the Shareholders' Meeting.

Furthermore, Article 104-bis of the Unified Finance Law (TUF) (recorded as the "Breakthrough rule) establishes that the bylaws of Italian listed companies can foresee that when a public purchase offer or an exchange is promoted and involves the securities issued by them: (i) the restrictions on the transfer of securities envisaged in the Company Bylaws are not applicable in relation to the bidder during the offer acceptance period, nor are the restrictions on voting rights envisaged in the Company Bylaws or in the Shareholders' Agreements applicable in the Shareholders' Meetings convened to resolve the actions and transactions envisaged under Article 104 cited above; (ii) when the bidder, after an offer, holds at least 75% of the share capital with voting rights in resolutions concerning the appointment or revocation of Directors or Members of the Management Board or Supervisory Board, then the following conditions shall not apply in the first Shareholders' Meeting convened to amend the Company Bylaws or to revoke or appoint Directors or Members of the Management Board or Supervisory Board after closing the offer: the restrictions on voting rights envisaged in the Company Bylaws or in shareholders' agreements, nor any special right concerning the appointment or revocation of the Directors or Members of the Management Board or Supervisory Board envis-

¹ At the Date of the Report, Lauro Sessantuno S.p.A. owns the entire share capital of Camfin S.p.A..

² It is important to note that on October 31, 2013, the parties participating in the "Sindacato Blocco Azioni Pirelli & C. S.p.A." (Pirelli & C. S.p.A. Shareholders' Agreement) (namely: Camfin S.p.A., Edizione S.r.l., Fondiaria-Sai S.p.A., Assicurazioni Generali S.p.A., Intesa Sanpaolo S.p.A., Mediobanca S.p.A., Massimo Moratti e Sinpar S.p.A.) notified that they had terminated this shareholders' agreement mutually and in advance (expiring in April 15, 2014) effective from October 31, 2013.