

with the Company and/or its principal shareholders and executives which may influence their opinion.

The Board referred to the requirements recommended by the Self-Regulatory Code<sup>33</sup> adopted by the Italian Stock Exchange (Borsa Italiana).

The Board of Directors duly confirmed the applicability of the requirements of independence, with the sole exception of Director Carlo Acutis, in the meeting held on March 27, 2014 in the light of a substantial evaluation of the information provided by the Directors and the information available to the Company, also on the basis of the requirements envisaged by the Unified Finance Law (TUF), in relation to the Directors in office at that date and who were qualified as independent at the date of their appointment, and in particular: Anna Maria Artoni; Alberto Bombassei; Franco Bruni; Luigi Campiglio; Jean-Paul Fitoussi; Pietro Guindani; Elisabetta Magistretti; Luigi Roth, Carlo Secchi and Manuela Soffientini. With reference to the Director Carlo Acutis, it is important to note that in July 2013, Carlo Acutis informed that he considered he no longer met the independence requirements due to his role as a controlling shareholder of Vittoria Assicurazioni S.p.A. and Yura International B.V., companies which acted together with Lauro Sessantuno S.p.A. in the full public purchase offer promoted with reference to the shares of Camfin S.p.A., a company that holds approximately 26.2% of Pirelli's share capital. It is also important to note that, as in the previous year, the Board of Directors focused on the position of the Director Secchi and considered the fact that he had exceeded nine years in office during the last twelve years, since he had been appointed as a Director of Pirelli for the first time on February 19, 2004. In particular, the Board of Directors noted the personal characteristics and the proven professionalism, as well as the specific experience gained (more than 40 years academic experience at the highest national and international levels;

top ranking national and international political offices and, above all, having held the office as a director of important listed companies) the fact of having exceeded nine years as a Board Member of Pirelli during the last twelve years does not appear to compromise the qualification as an Independent Director in any way.

At the Date of the Report, a further eight Board Members (Carlo Acutis; Gilberto Benetton; Paolo Fiorentino; Gaetano Micciché; Massimo Moratti; Renato Pagliaro; Luca Rovati and Claudio Sposito) were eligible to be qualified as "non-executive Directors".

It follows that the Independent Directors represent 50% of the Directors in office and approximately 55% of the total number of "non-executive Directors".

The average age of the Independent Directors at the Date of the Report is just over 63 years with an average term in office that corresponds to approximately 5 years. The Board of Statutory Auditors verified that the assessment criteria and procedures adopted by the Board to establish the independence of its members were applied correctly, in line with the recommendations of the Self-Regulatory Code<sup>34</sup>.

#### **4.7.1 MEETINGS OF THE INDEPENDENT DIRECTORS**

In line with the recommendations of the Self-Regulatory Code<sup>35</sup>, the Independent Directors met 2 times during the 2013 financial year in the absence of the other Directors. One of the foregoing meetings was held at the Settimo Torinese industrial facility.

The Independent Directors examined in detail aspects relating to the control system and risk management and the Board performance evaluation activity. Furthermore, 4 informal meetings of the Directors were held during the 2013 financial year.

<sup>29</sup> Article 150, paragraph 1 of the Unified Finance Law (TUF).

<sup>30</sup> Article 11 of the Company Bylaws.

<sup>31</sup> Self-Regulatory Code: Application criterion 2.C.2.

<sup>32</sup> 2011 Self-Regulatory Code: Application criterion 3.C.3.

<sup>33</sup> 2011 Self-Regulatory Code: Application criteria 3.C.1. and 3.C.2.

<sup>34</sup> Self-Regulatory Code: Application criterion 3.C.5.5.

<sup>35</sup> Self-Regulatory Code: Application criterion 3.C.6.