



Pirelli & C. S.p.A.

**Minutes of the Board of Directors
held on 12th November 2012**

(notarial minutes relevant to the second and third items
of the agenda)

Minutes of the Board of Directors
REPUBLIC OF ITALY

In the year 2012 (two thousand twelve)
on the 12th (twelfth) day
of the month of November
at 2:40 (two forty) p.m.

in Milan, Viale Piero e Alberto Pirelli n. 25

The following person has appeared before me, **Professor Piergaetano Marchetti**, Notary Public in Milan, a member of the Milan Notary Association:

- **Tronchetti Provera Marco**, born in Milan on January 18, 1948, domiciled in his official capacity in Milan, Viale Piero e Alberto Pirelli n. 25, of whose personal identity I, Notary Public, am certain. This individual, affirming that he is acting in his capacity as Chairman of the Board of Directors and, as such, on behalf of the listed "società per azioni" [joint-stock company] named:

"Pirelli & C. S.p.A."

with registered office in Milan, Viale Piero e Alberto Pirelli n. 25, subscribed and paid-in share capital euro 1,345,380,534.66, Tax Identification Number and Milan Companies Register number: 00860340157, entered at no. 1055 in the Milan Administrative Business Register (R.E.A.) (also referred to hereinafter as: the **"Company" or "Pirelli"**),

asks me to record the proceedings in regard to the second item on the agenda of the Company Board of Directors meeting, which has assembled here to discuss and resolve on the following

agenda

(omitted)

2) *Amendment to the Bylaws in compliance with the statutory provisions set out in Article 2365, second paragraph, Italian Civil Code and Article 11.2 of the Bylaws; amendments to Articles 7 (Shareholders' Meeting), 8 (Shareholders' Meeting), 10 (Board of Directors) and 16 (Board of Statutory Auditors); related and consequent resolutions;*

(omitted)

I accept his request and acknowledge that the Board of Directors takes place as follows in regard to the second item on the agenda.

The appearing party chairs the meeting, in his aforementioned capacity pursuant to law and the Bylaws, and he ascertains and acknowledges again that:

- the Board of Directors was duly convened with the notice of call sent by fax on November 7, 2012 to all those qualified to attend pursuant to Article 12 of the current Bylaws;

- in addition to the appearing party, the following persons are present: Directors Alberto Pirelli (Deputy Chairman), Carlo Acutis, Anna Maria Artoni, Gilberto Benetton (via telephone link), Alberto Bombassei, Franco Bruni, Luigi Campiglio, Pietro Angelo Guindani,

Giulia Maria Ligresti, Elisabetta Magistretti, Renato Pagliaro, Luigi Roth, Carlo Salvatori, Carlo Secchi, Manuela Soffientini, and the Statutory Auditors Francesco Fallacara (Chairman) and Antonella Carù.

- the absence of the following individuals was excused: Directors Vittorio Malacalza (Deputy Chairman) and Massimo Moratti, and Statutory Auditor Enrico Laghi.

Therefore, the Chairman announces once again that the meeting has been properly convened, in consequence of the aforementioned notice of call, and may resolve, inter alia, on the second item of the agenda reproduced hereinabove.

Proceeding to discussion of that agenda item, the Chairman first observes that - pursuant to and in accordance with Article 2365, second paragraph, Italian Civil Code - Article 11.2 of the Bylaws delegates to the Board of Directors the task of "*revision of the Bylaws to conform with statutory provisions.*"

He then cites the amendments made to Article 2369 Italian Civil Code by Legislative Decree 91 of June 18, 2012; this amended statute requires that the bylaws of listed companies define the procedures for calling the shareholders' meeting, and prohibits delegation of this choice to the directors. Therefore, in consequence of these amendments, it is necessary to amend Article 7.2 of the Pirelli Bylaws, so that only the statutory single call system be rendered applicable and, consequently, amend Articles 8.5, 8.6, 10.3 and 16.7 in the part where they refer to the existence of several calls. He then illustrates the individual amendments as proposed.

After lengthy discussion, and after taking note of what has been said by the Chairman, the Board of Directors

unanimously resolves

1.) to amend the second paragraph of Article 7 (seven) of the current Bylaws as follows:

"7.2 Ordinary and extraordinary meetings are held on single call. The corresponding resolutions are adopted by the majorities required by law.",

without prejudice or change to all other parts of said Article 7 (seven);

2.) to amend the fifth and sixth paragraphs of Article 8 (eight) of the current Bylaws, respectively, as follows:

8.5 The notice referred to in paragraph 4 of Article 8 of these By-Laws is given by the intermediary on the basis of evidence relating to the end of the accounting day of the seventh trading day preceding the date of the meeting. The credit and debit recordings made on the accounts after that term are not relevant for the purposes of the right to exercise voting rights at the general meeting.

8.6 The notice referred to in paragraph 4 of Article 8 of these By-Laws must be received by the Company by the end of the third trading day preceding the date of the or within the different deadline established by the applicable regulations. This is without prejudice

to the right to participate in the meeting and to vote where the notice referred to in paragraph 4 of Article 8 of these By-Laws is received by the Company after the deadline specified in this paragraph though prior to the beginning of the meeting held on single call.”,

without prejudice or change to all other parts of said Article 8 (eight);

3.) to amend the third paragraph of Article 10 (ten) of the current Bylaws as follows:

“10.3 The slates presented by the shareholders, which must be undersigned by the parties submitting them, must be filed at the Company's registered office, and be available at least twenty five days before the date set for the shareholders' meeting that is required to decide upon the appointment of the members of the Board of Directors. They are made available to the public at the registered office, on the Company website and in the other ways specified by Consob regulations at least 21 days before the date of the general meeting.”,

without prejudice or change to all other parts of said Article 10 (ten);

4.) to amend the seventh paragraph of Article 16 (sixteen) of the Bylaws as follows:

16.7 The slates of candidates, which must be undersigned by the parties submitting them, shall be filed in the Company's registered office at least twenty five days prior to the date set for the shareholders' meeting that is required to decide upon the appointment of the members of the Board of Statutory Auditors, except for those cases in which the law and/or the regulation provide an extension of the deadline They are made available to the public at the registered office, on the Company website and in the other ways specified by Commissione Nazionale per la Società e la Borsa regulations at least 21 days before the date of the general meeting. Without limitation to any further documentation required by applicable rules, including any regulatory provisions, a personal and professional curriculum including also the offices held in management and supervisory bodies of other companies, of the individuals standing for election must accompany the slates together with the statements in which the individual candidates agree to:

- their nomination
- declare, under their own liability, that there are no grounds for their ineligibility or incompatibility, and that they meet the requisites prescribed by law, by these By-laws and by regulation for the position.

Any changes that occur up to the date of the Shareholders' meeting must be promptly notified to the Company.”,

without prejudice or change to all other parts of said Article 16 (sixteen);

5.) to delegate the legal representatives *pro tempore*, severally and

separately, to make those insubstantial changes to the text of these resolutions and the amended Bylaws that might be requested by the competent authorities, including but not limited to recording at the Companies Register, so that the resolutions may be executed.

Finally, the Board of Directors unanimously

acknowledges

for the purposes of registration, inter alia, that in consequence of what has been resolved hereinabove, the current text of the Bylaws shall be, after recording at the Companies Register of the resolutions approved as indicated hereinabove, that which the Chairman gives to me and I, Notary Public, append to these minutes as Schedule "**A**", without my reading it in accordance with the specific wishes of the appearing party and the meeting participants.

Having completed discussion of the second item on the agenda, the Chairman proceeds at two fifty p.m. to discussion of the first part of the third item on the agenda, with me, Notary Public, being released from recording the minutes thereof in favour of someone else.

I have read these minutes to the appearing party, who approves them and signs them with me.

This document consists of three sheets written with mechanical means by a person entrusted by me, and completed under my own hand on pages seven and part of this eighth page.

Signed Marco Tronchetti Provera

Signed Piergaetano Marchetti, Notary Public

(enclosure omitted)

Minutes of the Board of Directors

REPUBLIC OF ITALY

In the year 2012 (two thousand twelve)

on the 12th (twelfth) day

of the month of November

at 3:05 (three zero five) p.m.

in Milan, Viale Piero e Alberto Pirelli n. 25

The following person has appeared before me, **Professor Piergaetano Marchetti**, Notary Public in Milan, a member of the Milan Notary Association:

- **Tronchetti Provera Marco**, born in Milan on January 18, 1948, domiciled in his official capacity in Milan, Viale Piero e Alberto Pirelli n. 25, of whose personal identity I, Notary Public, am certain. This individual, affirming that he is acting in his capacity as Chairman of the Board of Directors and, as such, on behalf of the listed "società per azioni" [joint-stock company] named:

"Pirelli & C. S.p.A."

with registered office in Milan, Viale Piero e Alberto Pirelli n. 25, subscribed and paid-in share capital euro 1,345,380,534.66, Tax Identification Number and Milan Companies Register number: 00860340157, entered at no. 1055 in the Milan Administrative Business Register (R.E.A.) (also referred to hereinafter as: the **"Company" or "Pirelli"**),

asks me to record the proceedings in regard to the second part of the third item on the agenda of the Company Board of Directors meeting, which has assembled here to discuss and resolve on the following

agenda

(omitted)

3. "Euro Medium Term Notes" (EMTN) programme and, in this regard, authorisation for issuance of the bond loan by the Company or its subsidiaries, which may be guaranteed by the Company, to be subscribed exclusively by professional investors. Related and consequent resolutions;

(omitted)

I accept his request and acknowledge that the Board of Directors meeting takes place as follows in regard to the second part of the third item on the agenda.

The appearing party chairs the meeting, in his aforementioned capacity pursuant to law and the Bylaws, and he ascertains and acknowledges again that:

- the Board of Directors was duly convened with the notice of call sent by fax on November 7, 2012 to all those qualified to attend pursuant to Article 12 of the current Bylaws;

- in addition to the appearing party, the following persons are present: Directors Alberto Pirelli (Deputy Chairman), Carlo Acutis, Anna Maria Artoni, Gilberto Benetton (via telephone link), Alberto Bombassei, Franco Bruni, Luigi Campiglio, Pietro Angelo Guindani,

Giulia Maria Ligresti, Elisabetta Magistretti, Renato Pagliaro, Luigi Roth, Carlo Salvatori, Carlo Secchi, Manuela Soffientini, and the Statutory Auditors Francesco Fallacara (Chairman) and Antonella Carù.

- the absence of the following individuals was excused: Directors Vittorio Malacalza (Deputy Chairman) and Massimo Moratti, and Statutory Auditor Enrico Laghi.

Therefore, the Chairman announces once again that the meeting has been properly convened, in consequence of the aforementioned notice of call, and may resolve, inter alia, on the second part of the third item of the agenda reproduced hereinabove.

Proceeding to discussion of that agenda item, the Chairman first observes that Article 2410 Italian Civil Code grants the management body, if the company bylaws do not provide otherwise, the prerogative to issue non-convertible bonds, while Article 2412 Italian Civil Code excludes quantitative limits on the issuance of bonds if these are to be listed on regulated markets or on multilateral trading systems.

The Chairman then illustrates the proposal to authorise a transaction consisting of the possible issuance of one or more bonds in relation to (and thus under) the "Euro Medium Term Notes" programme previously resolved at this item on the agenda and beginning January 1, 2013. The bonds would be offered for subscription only to professional investors (and thus excluding any subscription offer made to the general public) or in one or more indirect issues, consisting of possible issuance, alternatively or together with that one or those by the subsidiary Pirelli Tyre S.p.A., of unsecured guarantees, including full guarantees, in favour of the investors and on behalf of it or other subsidiaries that might issue bonds under the "Euro Medium Term Notes" programme. The transaction would allow the Company to exploit promptly, and either directly or through its subsidiaries, opportune market conditions arising from, inter alia, the favourable position of companies with good credit ratings, while also allowing continued diversification of financing sources and further lengthening of the average maturity of consolidated debt.

In light of all the foregoing considerations made in relation to (and thus under) the "Euro Medium Term Notes" programme previously resolved at this item on the agenda, the Chairman consequently proposes authorisation for the issuance of one or more non-convertible bonds, with each to be issued in several "tranches" beginning January 1, 2013 and by the deadline of December 31, 2013, and the grant of one or more full unsecured guarantees, with these too having to be issued on several occasions by the same deadline on behalf of the subsidiaries as part of any other issues by these entities, with all issues having a maximum aggregate countervalue (and thus aggregating the face value of direct issues and the face value of any unsecured guarantees) of euro 1 billion (even as the countervalue of other currencies), with all these bonds to be placed with professional Italian and/or foreign investors. The bonds shall

be governed by English law or, when applicable, by the other law that might be appropriate in light of, inter alia, the registered office of the issuing subsidiary or the markets involved, and shall be listed on the Luxembourg Stock Exchange and/or another regulated market.

The Chairman then summarises the characteristics of the transaction:

- breakdown: possibly in several issues and each one possibly in several "tranches";

- issuer: as envisaged in the "Euro Medium Term Notes" programme;

- target investors: the bonds will be offered for subscription only to professional Italian and/or foreign investors (and thus excluding any terms and conditions and target investors that might subject the offers to the regulatory provisions governing offers to the general public);

- duration: the term of the individual issues and tranches will be between 3 (three) and 20 (twenty) years, and may include the right of early redemption;

- issue currency: euro or other currency;

- minimum investment: minimum euro 100,000.00 (one hundred thousand);

- issue price: the issue price, which may be different for each individual issue or tranche, will be set according to the aggregate yield return offered to subscribers;

- interest rate: the interest rate, which may be different for each of the individual issues or tranches, must be:

- (i) if fixed, between - according to the maturity - 0% (zero per cent) and 6% (six per cent) over the average IRS rate for the corresponding maturity;

- (ii) if variable, between - according to the maturity - 0% (zero per cent) and 6% (six per cent) over the applicable monetary index benchmark (e.g. Euribor, Libor, etc.);

- (iii) if "zero coupon" securities are issued, the absence of a coupon must be compensated by an issue discount or a redemption premium, such as to offer a yield that is financially equivalent to the interest rate set for the previously indicated interval, according to the preferred maturity; if payment of the return on a "zero coupon" is made in the form of a redemption premium, this premium would reflect recognition of the interest rate only at maturity through an adequate capitalisation mechanism.

The interest may also be paid through a combination of the types illustrated hereinabove, and in accordance with the limits described hereinabove; therefore, it could be assumed that, while keeping the ceiling at 600 basis points over the indexing benchmark, a portion of the interest on a variable rate bond be paid during the life of the security at a fixed or variable rate, and the remainder on maturity with terms and conditions similar to those of zero coupon bonds;

- governing law: English law or, if applicable, the other law that might be appropriate in light of, inter alia, the registered office of the issuing entity or the markets involved;

- listing: Luxembourg Stock Exchange and/or another regulated market;
- guarantees: any guarantee issued by the Company, by its subsidiary Pirelli Tyre S.p.A. (if appropriate, also on behalf of the Company) or by both, whose operating terms and conditions and enforceability are to be determined and include the possibility of early redemption of the bonds before they mature, and (in this last case) renewal or new issuance of the guarantee for the bonds that have already been issued, upon occurrence of circumstances that are to be determined, in relation to satisfaction of consolidated group financial performance parameters, inter alia;
- other terms: possible "change of major shareholder" clause imposed on the Company and "ownership" clause imposed on Pirelli Tyre S.p.A., possibility of substituting both the issuer and the guarantor with operating and enforcement conditions to be determined and other clauses typical of these kinds of securities issues, satisfaction of consolidated group financial performance parameters, other parameters typical of these types of transactions or bank loans and consistent with those that have already been made for bond issues and bank loans.

It is confirmed that the effective date would be January 1, 2013 while the final deadline for issuance of the bonds would be December 31, 2013.

The Chairman repeated that the issues of non-convertible bonds and grant of corresponding unsecured guarantees as envisaged in this proposal are covered by the regulations governing bonds to be floated on regulated markets or on multilateral trading systems and thus will not be subject to statutory quantitative limits.

Therefore, the Board of Directors,

taking note

of the rules governing the issuance of bonds and grant of guarantees related to bond issues to be quoted on regulated markets or multilateral trading systems, as envisaged in Articles 2410 and 2412 Italian Civil Code;

having heard

the Chairman's report, who offers explanations on request in regard to, inter alia, the interest rate, placement procedures, costs and ownership clauses;

subordinately

to satisfaction of all obligations and conditions envisaged in applicable laws and regulations and with the promise to report to the Board of Directors on the status of execution of the transactions envisaged herein;

unanimously resolves

First of all

to authorise the issuance, in relation to (and thus under) the "Euro Medium Term Notes" programme previously resolved at this item on the agenda of today's Board of Directors meeting, of one or more issues of non-convertible bonds, with each to be issued in several

"tranches," and the grant of one or more full unsecured guarantees, with these too having to be issued on several occasions by the same deadline on behalf of the subsidiaries as part of any other issues by these entities, in accordance with the aforementioned "Euro Medium Term Notes" programme, with all issues having a maximum aggregate countervalue of euro 1 (one) billion (even as the countervalue of other currencies), beginning January 1 (first), 2013 (two thousand thirteen) and by the deadline of December 31 (thirty-first), 2013 (two thousand thirteen), for a maximum aggregate countervalue (and thus aggregating the face value of direct issues and that of any unsecured guarantees) of euro 1,000,000,000.00 (one billion), having the characteristics summarised hereunder:

- breakdown: possibly in several issues and each one possibly in several "tranches";
- issuer: as envisaged in the "Euro Medium Term Notes" programme;
- target investors: the bonds will be offered for subscription only to professional Italian and/or foreign investors (and thus excluding any terms and conditions and target investors that might subject the offers to the regulatory provisions governing offers to the general public);
- duration: the term of the individual issues and tranches will be between 3 (three) and 20 (twenty) years, and may include the right of early redemption;
- issue currency: euro or other currency;
- minimum investment: minimum euro 100,000.00 (one hundred thousand);
- issue price: the issue price, which may be different for each individual issue or tranche, will be set according to the aggregate yield return offered to subscribers;
- interest rate: the interest rate, which may be different for each of the individual issues or tranches, must be:
 - (a) if fixed, between - according to the maturity - 0% (zero per cent) and 6% (six per cent) over the average IRS rate for the corresponding maturity;
 - (b) if variable, between - according to the maturity - 0% (zero per cent) and 6% (six per cent) over the applicable monetary index benchmark (e.g. Euribor, Libor, etc.);
 - (c) if "zero coupon" securities are issued, the absence of a coupon must be compensated by an issue discount or a redemption premium, such as to offer a yield that is financially equivalent to the interest rate set for the previously indicated interval, according to the preferred maturity; if payment of the return on a "zero coupon" is made in the form of a redemption premium, this premium would reflect recognition of the interest rate only at maturity through an adequate capitalisation mechanism.

The interest may also be paid through a combination of the types illustrated hereinabove, and in accordance with the limits described hereinabove; therefore, it could be assumed that, while keeping the ceiling at 600 (six hundred) basis points over the indexing

benchmark, a portion of the interest on a variable rate bond be paid during the life of the security at a fixed or variable rate, and the remainder on maturity with terms and conditions similar to those of zero coupon bonds;

- governing law: English law or, if applicable, the other law that might be appropriate in light of, inter alia, the registered office of the issuing entity or the markets involved,
- listing: Luxembourg Stock Exchange and/or another regulated market;
- guarantees: any guarantee issued by the Company, by its subsidiary Pirelli Tyre S.p.A. (if appropriate, also on behalf of the Company) or by both, whose operating terms and conditions and enforceability are to be determined and include the possibility of early redemption of the bonds before they mature, and (in this last case) renewal or new issuance of the guarantee for the bonds that have already been issued, upon occurrence of circumstances that are to be determined, in relation to satisfaction of consolidated group financial performance parameters, inter alia;
- other terms: possible "change of major shareholder" clause imposed on the Company and "ownership" clause imposed on Pirelli Tyre S.p.A., possibility of substituting both the issuer and the guarantor with operating and enforcement conditions to be determined and other clauses typical of these kinds of securities issues, satisfaction of consolidated group financial performance parameters, other parameters typical of these types of transactions or bank loans and consistent with those that have already been made for bond issues and bank loans.

Second of all

to grant a mandate to the Chairman of the Board of Directors, Marco Tronchetti Provera, with the right to grant sub-delegations of authority, for implementation of the foregoing resolution, with full authority as appropriate in this regard, including authority to:

- determine the amount of the individual issues or tranches within the maximum resolved limits, while establishing, again within the limits resolved hereinabove, the duration, issue price, interest rate and terms and conditions for payment of interest, any issue discount or redemption premium;
- determine, within the limits resolved hereinabove, the conditions of the individual issues or tranches in which the transaction may be broken down pursuant to the aforementioned "Euro Medium Term Notes" programme;
- place the bonds, by executing every trade and agreement serving this purpose with, inter alia, intermediaries and agents;
- determine, within the limits resolved hereinabove, the conditions for grant of the individual guarantees that might be granted individually or jointly;
- satisfy all obligations, including disclosure, before all authorities having jurisdiction inside or outside Italy, related to issuance of the loan, its placement and its listing, including

publication of documents (including, for example but not limited to, the obligations connected with definition and publication of the prospectus for listing of the bonds to be issued);

- execute the necessary formalities so that these resolutions be recorded at the Companies Register, with the right to make any changes, corrections or additions that might be appropriate and/or requested by the competent authorities for this purpose, including upon recording at the Companies Register;

- do whatever is necessary, useful or appropriate in general for the success of the initiative.

Having completed discussion of the second part of the third item on the agenda, the Chairman proceeds at three fifteen p.m. to discussion of the remaining items on the agenda, with me, Notary Public, being released from recording the minutes thereof in favour of someone else.

I have read these minutes to the appearing party, who approves them and signs them with me.

This document consists of four sheets written with mechanical means by a person entrusted by me, and completed under my own hand on fifteen pages and two lines.

Signed Marco Tronchetti Provera

Signed Piergaetano Marchetti, Notary Public