

ABRIDGED FORM OF PIRELLI & C. SOCIETÀ PER AZIONI SHAREHOLDERS AGREEMENT

1. Type and objective of the agreement

The purpose of the PIRELLI & C. shareholders agreement is to ensure a stable shareholder base and uniform strategy in the management of the company.

2. Parties to the shareholders agreement and Pirelli & C. shares transferred to the agreement:

	NUMBER OF ORDINARY SHARES GRANTED	% OF ALL SHARES GRANTED	% OF THE TOTAL N. OF ORDINARY SHARES ISSUED
CAMFIN S.p.A.	96.669.168	44,64	20,32
MEDIOBANCA S.p.A.	21.922.205	10,12	4,61
EDIZIONE S.r.l.	21.921.364	10,12	4,61
FONDIARIA - SAI S.p.A.	21.032.307	9,71	4,42
ALLIANZ S.p.A.	20.977.270	9,69	4,41
ASSICURAZIONI GENERALI S.p.A. (*)	20.977.269	9,69	4,41
INTESA SANPAOLO S.p.A.	7.683.568	3,55	1,62
SINPAR S.p.A.	3.015.320	1,39	0,63
Massimo MORATTI (**)	2.343.392	1,08	0,49
Total	216.541.863	100	45,52

* Including n. 5,218,181 shares through Generali Vie S.A. and n. 7,525,388 shares through Ina Assitalia S.p.A.

** through CMC S.p.A.

3. The party, if any, which, through the agreement, can exercise control over the company

There is no party which, through the agreement, can exercise control over PIRELLI & C..

4. Restrictions on the sale of the shares transferred and on the subscription and the purchase of new shares

The sale of the shares to third parties (and option rights in the event of a capital increase) is prohibited. Shares can be sold freely and pre-emptively to subsidiaries, according to article 2359, paragraph 1, point 1 of the Italian Civil Code, and to the parent companies as well as other participants to the shareholders agreement.

Each participant may buy or sell additional shares for an amount not in excess of the higher of 20% of the shares already transferred by the participant itself and 2% of the ordinary share capital issued; purchases of greater amounts are permitted only with the intent of reaching a holding equal to 5% of the ordinary share capital issued, on condition that the amount in excess of the above limits came under the shareholders agreement. CAMFIN S.p.A. is authorized to freely purchase additional PIRELLI & C. shares; it can transfer shares to the shareholders agreement, but to the extent that, at any one time, the shares do not exceed 49.99% of total shares transferred by all the participants in the shareholders agreement. This has been decided so that a stable predominate position is not assumed in the shareholders agreement or a stable veto power is not exercised over common decisions.

Except where the PIRELLI & C. ordinary shares in the shareholders agreement correspond to the majority of the voting rights in the ordinary shareholders' meetings, each participant (also through parent companies and/or subsidiaries) intending to purchase shares of that category shall inform the President in writing beforehand and the President shall inform the participant if, taking into account the laws in force concerning tender offers, the participant can proceed, in whole or in part, with the proposed purchase.

buy or sell the shares.

5. Availability of the shares

The shares transferred shall remain at disposal of the participants in the shareholders agreement.

6. Bodies governing the agreement, composition, meetings and powers

The Body governing the agreement is the Shareholders Agreement Executive Committee.

The Shareholders Agreement Executive Committee shall consist of a president and vice-president, in the form of the president and the longest serving vice-president of PIRELLI & C., and by a member representing each participant unless a participant has deposited more than 10% of ordinary share capital, in which case another member may be designated: for this purpose, in the event the shareholders agreement is composed of several companies related by a controlling relationship or belonging to the same parent company, their aggregate shall be considered for this purpose as one sole participant in the shareholders agreement.

The Shareholders Agreement Executive Committee shall be convened to evaluate the proposals to be submitted to the shareholders' meetings, for the possible earlier termination of the agreement and for the admission of new participants. The Shareholders Agreement Executive Committee shall also meet at least twice a year to examine the semiannual performance, the annual results, the general guidelines for the company's development, the investment policy and proposed significant divestitures and more in general, all the relevant matters of discussion by both the ordinary and extraordinary sessions of the shareholders' meetings.

7. Matters covered by the Agreement

Those contemplated in points 4 and 6 above.

8. Majorities needed to reach decisions regarding the issues governed by the Agreement

The Shareholders Agreement Executive Committee approves its resolutions with the favourable vote of the majority of the shares transferred; the Shareholders Agreement Executive Committee can designate a trusted person to represent the shares in the shareholders agreement at the shareholders' meetings in order to vote according to its instructions. Whenever the decisions of the Shareholders Agreement Executive Committee are not voted unanimously, the dissenting participant shall have the right to freely vote at the shareholders' meeting.

9. Term, renewal and cancellation of the agreement

The agreement shall be valid until April 15, 2013 and shall be tacitly renewed for a period of three years except for withdrawal, which can be exercised between December 15 and January 15 prior to the expiration date. In case of withdrawal, the shares transferred by the withdrawing party shall be automatically offered pro quota to the other participants. The agreement shall remain in force, whenever it is possible, at every expiration date, to renew the agreement for a percentage of PIRELLI & C.'s subscribed ordinary share capital of not less than 33%.

10. Penalties for breach of the commitments contained in the agreement

They are not envisaged by the agreement.

11. Registration of the agreement at the Company Registry

The agreement is registered at the office of the Milan Companies Registry.

Milan, 2 July 2011