



General criteria for identifying the more important operations: strategic, economic, equity or financial

**Approved by the Board of Directors
of Pirelli & C. S.p.A. on April 21, 2011**

Without prejudice (i) to the authorities and powers reserved by the law and by the Articles of Association for the Board of Directors of Pirelli & C. S.p.A. (hereinafter the "Company"), (ii) the structure of the delegations and (iii) the internal corporate procedures, it is the responsibility of the Board of Directors of the Company to previously approve the following deeds and operations - not intragroup - when executed by the Company itself or by companies, also foreign and unlisted, subject to the exercise of management and coordination activities by Pirelli & C. S.p.A.:

- a) the undertaking and granting of loans for a total value greater than Euro 200 million and with a validity longer than 12 months;
- b) the issues of financial instruments allocated for listing on regulated European or non-European markets (and their *delisting*) for a total value greater than Euro 100 million;
- c) the granting of guarantees in favour of, or in the interest of, third parties for amounts greater than Euro 100 million;
- d) the signing of derivatives that have i) a notional value greater than Euro 250 million and that do not have ii) the hedging of corporate risk as the sole aim and/or effect (purely by way of example: hedging interest rates, hedging exchange rates, hedging raw materials);
- e) the operations of acquiring or selling control and connection shareholdings for values greater than Euro 150 million that entail entering (or exiting) geographic and/or commodity markets;
- f) the operations of acquiring or selling shareholdings other than those described in point e) above for amounts greater than Euro 250 million;
- g) the operations of acquiring or selling companies or company branches that have strategic significance or however a value greater than Euro 150 million;
- h) the operations of acquiring or selling assets having a strategic significance or however a total value greater than Euro 150 million.

Also those operations that are connected within the sphere of an identical strategic project or executive programme must be previously approved by the Board of Directors of the Company if they, considered as a whole, exceed the quantity thresholds of significance stated above.

Pursuant to the procedure for operations with related parties that the Company adopted on 3 November 2010, the operations with related parties of greater significance must also be previously authorised by the Board of Directors of Pirelli & C. S.p.A¹.

¹ Pursuant to the procedure for operations with related parties that the Company adopted on 3 November 2010, those operations that exceed the thresholds established by annex 1 of the procedure are operations with related parties of greater significance.