

**Shareholders' Agreement notification pursuant to art. 122 of Legislative Decree February 24, 1998, No. 58 ("TUF") – Essential information as per art. 130 of the Consob Regulation no. 11971/1999, as amended ("Issuers' Regulation")**

**PIRELLI & C. S.P.A.**

*We hereby provide an excerpt of the "Acting-in-concert agreement" as amended and updated to take account of the occurred variation of the interest owned by Marco Polo in Pirelli as a consequence of partial exercise by the stabilization agent, also on behalf of the institutional offering syndicate and in the context of the relisting process of Pirelli, of the greenshoe option granted by Marco Polo, for 18,904,836 shares (equal to approximately 1.9% of Pirelli's share capital), out of the 50,000,000 option shares (equal to 5% of Pirelli's share capital), covered by the over-allotment. Therefore, this meant the redelivery to Marco Polo, on 7 November 2017, of 31,095,164 ordinary shares of Pirelli (equal to approximately 3.1% of Pirelli's share capital) lent for the purpose of the over-allotment.*

*The amendments to the excerpt are highlighted in italics. Capitalized terms indicated above shall have the same meaning ascribed to them in the excerpt.*

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On July 28, 2017, Silk Road Fund Co., Ltd. ("**SRF**") and China National Tire & Rubber Corporation, Ltd. ("**CNRC**"), a company controlled by China National Chemical Corporation ("**CC**"), entered into an "Acting-in-concert agreement" (the "**Agreement**") pursuant to which SRF has undertaken a lock-up commitment and the undertaking to vote in the ordinary shareholders' meetings of Pirelli & C. S.p.A. ("**Pirelli**" or the "**Issuer**") according to the voting instructions received from CNRC, in relation to the number of Pirelli's shares derived from the SPV Lux Assignment, as defined below, which is equal to at least 5% of the share capital of Pirelli (the "**SRF Retention Shares**").

Pursuant to the investment agreement entered into on June 5, 2015 (the "**Investment Agreement**") SRF participated to the acquisition of control of Pirelli and holds a participation equal to 25% of the share capital of CNRC International Holding (HK) Limited ("**SPV HK**"), a special purpose vehicle indirectly controlled by CNRC. SPV HK – through its 100% direct interest in Fourteen Sundew S.à r.l. ("**SPV Lux**") and its indirect 65% interest in the SPV Lux's subsidiary Marco Polo International Italy S.p.A. ("**Marco Polo**") – as of today owns no. 631.095.164 ordinary shares of Pirelli representing 63,11% of the voting share capital of Pirelli. SPV HK is controlled by CNRC International Limited, which is 100% controlled by CNRC; the latter, in turn, is subject to CC's control.

SRF invested in SPV HK through a special investment vehicle named PEHP INC.

On July 28, 2017, in the context of Pirelli's relisting (IPO), CNRC, CC and SRF entered into a Supplemental Agreement to the Investment Agreement of June 5, 2015 pursuant to which, as soon as possible upon completion of the Marco Polo demerger planned after Pirelli's relisting, SPV Lux will assign to CNRC and SRF or companies controlled by them (subject to the dissolution or demerger of SPV HK), a mix of Pirelli's shares and TP Industrial Holding S.p.A. shares and cash to be calculated on the basis of a waterfall mechanism according to which CNRC's direct or indirect shareholding in the Issuer shall not be less than 36.5% of the share capital (the "**SPV Lux Assignment**").

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**Company whose financial instruments are covered by the Agreement**

Pirelli & C. S.p.A., with registered office in Milan, 25 Viale Piero e Alberto Pirelli, enrolled in the Companies' Register of Milan under No. 00860340157.

**Parties to the Agreement**

- Silk Road Fund Co., Ltd., a limited liability company organized under the laws of the People's Republic of China, having registered office in Beijing (PRC), at F210-F211, Winland International Finance Center Tower B, 7 Financial Street, Xicheng District, registered with the State Administration for Industry & Commerce of P.R. China, under the unified social credit code 91100000717845609W;

- China National Tire & Rubber Corporation, Ltd., a limited liability company organized under the laws of the People's Republic of China, having registered office in Beijing (PRC), enrolled with the State Administration for Industry & Commerce of P.R. China under no. 100000000008065 and controlled by CC.

### **Financial instruments covered by the Agreement**

The Agreement concerns the SRF Retention Shares, which are equal to at least 5% of the Issuer's share capital shares of Pirelli and will be held by SRF upon completion of the SPV Lux Assignment.

### **Essential contents of the shareholders' agreement set forth in the Agreement**

Pursuant to the Agreement, with respect to the SRF Retention Shares, SRF has undertaken (i) a lock-up commitment; and (ii) the undertaking to vote in the Issuer's ordinary and extraordinary shareholders' meetings according to the voting instructions received from CNRC.

The parties have undertaken not to purchase any Pirelli's shares or execute any agreements that may cause an obligation upon the parties to launch a mandatory tender offer on the outstanding shares of Pirelli.

### **Control**

No provision in the Agreement is in prejudice to CC's right to exercise control on the Issuer through CNRC upon the Acquisition and pursuant to the Agreement SRF will not be considered as a controller or joint controller of Pirelli by the competent regulator(s) as a result of SRF's action in concert under this Agreement with the meaning of applicable anti-trust laws, including but not limited to the *Council Regulation (EC) No 139/2004 of 20 January 2004 on the Control of Concentrations between Undertakings*.

### **Type of agreement**

The clauses contained in the Agreement, whose essential contents have been reproduced above, are relevant for the purposes of art. 122, paragraphs 1 and 5, TUF.

### **Corporate bodies for the Agreement**

No corporate body is established in relation to the Agreement.

### **Penalty in case of non-fulfillment**

No penalties are provided for in case of non-fulfillment of any of the obligations provided for in the Agreement.

### **Term of the Agreement**

The Agreement shall come into force from the date of completion of the SPV Lux Assignment, if and to the extent, prior to such date, the parties have obtained the favorable opinion by Consob confirming that no mandatory tender offer is required to be launched as result of the Agreement becoming effective on the date of completion of the SPV Lux Assignment.

The Agreement, and therefore the lock-up and voting commitments of SRF, shall remain in full force and effect until the day following the approval by the Issuer's shareholders meeting of the financial statements of Pirelli as at and for the year ended on December 31, 2019 and in any case no later than the date falling on the third (3<sup>rd</sup>) anniversary after completion of the SPV Lux Assignment.

The Agreement does not include any automatic renewal provision, nor events of withdrawal.

### **Companies' Register**

The Agreement has been filed on 6 October 2017 at the Companies' Register of Milan. *The occurred variation of the interest owned by Marco Polo in Pirelli as a consequence of the redelivery to Marco Polo of the ordinary shares of Pirelli lent for the purpose of the over-allotment has been filed on 20 December 2017 with the Companies' Register of Milan.*

December 20, 2017