

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 "Equity Investment 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.

On June 5, 2015 Silk Road Fund Co., Ltd. ("**SRF**"), China National Tire & Rubber Corporation, Ltd. ("**CNRC**") and China National Chemical Corporation ("**CC**") entered into an *Equity Investment Agreement* (the "**Agreement**"), filed pursuant to Art. 122 TUF on June 10, 2015, which regulates SRF's investment and participation, along with CC and CNRC, in the acquisition of the control of Pirelli & C. S.p.A. ("**Pirelli**" or the "**Issuer**"). Such acquisition (the "**Acquisition**") has been announced to the market on March 22, 2015, pursuant to art. 114 TUF.

More specifically, SRF participated in the Acquisition through a 25% indirect equity investment in CNRC International Holding (HK) Limited ("**SPV HK**"), a special purpose vehicle controlled by CNRC and set up for the purposes of the Acquisition. 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.. The Agreement grants to SRF certain rights and prerogatives in respect of the corporate governance of SPV HK, SPV Lux, Marco Polo and Pirelli, and sets out certain restrictions to the transferability of SPV HK's share capital. Such provisions are relevant for the purposes of art. 122, paragraphs 1 and 5, TUF, as described below.

On July 28, 2017, in the context of Pirelli's relisting (IPO), CC, CNRC and SRF entered into a supplemental agreement to the Agreement ("**Supplemental Agreement**"), 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 the following waterfall mechanism: (i) the profits derived from the Issuer's ordinary shares sold in the IPO will be equally assigned, and consequently, the portion to be assigned to CNRC will include a number of the Issuer's ordinary shares and an amount in cash respectively higher and lower than those that CNRC will have obtained if the distribution of the profits from the Issuer's shares sold in the offering had been done proportionally and not equally; and (ii) in any case, CNRC's direct or indirect shareholding in the Issuer shall not be less than 36.5% of the share capital (the "**SPV Lux Assignment**").

Company whose financial instruments are covered by the Agreement

CNRC International Holding (HK) Limited, a company incorporated under the laws of Hong Kong with registered office in RMS 05-15, 13A/F South Tower World Finance CTR Harbour City, 17

Canton RD TST KLN, Hong Kong, enrolled with the Registrar of Companies of Hong Kong, No. 2228664.

Fourteen Sundew S.à r.l., a company incorporated under the laws of the Grand Duchy of Luxembourg, with registered office in Luxembourg, 7A, rue Robert Stümper L-2557, enrolled with the Register of Commerce and Companies of Luxembourg under No. B195473.

Marco Polo International Italy S.p.A., a company incorporated under the laws of the Republic of Italy, with registered office in Milano, via San Primo n. 4, enrolled in the Companies' Register of Milan, tax code and VAT No. 09052130961.

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, with share capital equal to Euro 1.904.374.935,66. The Issuer's shares are listed on the Milan Stock Exchange (*Mercato Telematico Azionario*) organized and managed by Borsa Italiana S.p.A..

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. 10000000008065 and controlled by CC;
- China National Chemical Corporation, a limited liability company organized under the laws of the People's Republic of China, having registered office in Beijing (PRC), No. 62 West Beisihuan Road, Haidian District, enrolled with the State Administration for Industry & Commerce of P.R. China under no. 100000000038808, and subject to control of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) of the People's Republic of China.

Financial instruments covered by the Agreement

The Shareholders Agreement concerns 100% of the shares and the financial instruments issued by SPV HK, SPV Lux, Marco Polo, as well as the ordinary shares of Pirelli held by Marco Polo.

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

Please note that some of the provisions contained in the Agreement reference the "*Sale and Purchase and Co-Investment Agreement*" in connection with the Acquisition, entered into on March 22, 2015 between CC, CNRC, SPV Lux, Camfin S.p.A, Coinv S.p.A. and Long-Term Investments Luxembourg S.A. (the "**Pirelli SPA**"). The summary content of the Pirelli SPA has been disclosed to the market and filed with the Companies' Register of Milan pursuant to Art. 122 TUF.

Corporate Governance

Shareholders' meeting of SPV HK and SPV Lux

Certain matters concerning SPV HK and SPV Lux require approval of shareholders holding more than 95% of the outstanding shares of the applicable company.

Such matters include: (1) increase or decrease of share capital, changes of capital structure and shareholding structure, except for transactions conducted in accordance with the agreement and documents concerning the Acquisition; (2) issuance of new shares by SPV HK to third parties before the expiry of the lock-up period of SRF, as described below; (3) mergers, divisions, reorganizations, dissolution or liquidation, except for transactions conducted in accordance with the agreement and documents concerning the Acquisition; (4) amendments to articles of association; (5) transfers, allocations or disposals of all or a substantial part of assets, business or goodwill of the relevant company; (6) increase or decrease of the size of board directors. All the

above, without prejudice to resolutions taken in accordance with the Agreement and/or the other agreements and documents concerning the Acquisition.

Designation and appointment of directors

SRF has the right to appoint 1 (one) out of the 4 (four) directors of the SPV HK's and SPV Lux's Board of Directors, provided that the aggregate percentage of shares held by SRF in SPV HK shall not be less than 5%. The remaining 3 (three) directors shall be appointed by CNRC.

In order to achieve the purposes of SRF and CNRC in the joint (indirect) investment in Pirelli, the Parties agree that SRF is entitled to designate 1 (one) director candidate within the directors appointed by CNRC in the Board of Directors of Marco Polo and Pirelli, and upon consent by CNRC, such candidate shall be appointed as director of Marco Polo and Pirelli (after completion of the Acquisition) in accordance with the applicable procedures.

The directors appointed by SRF in SPV HK and SPV Lux, as well as the directors that SRF is entitled to designate – as described above – in Marco Polo and Pirelli, are collectively referred to as “**SRF Directors**”.

Board of Directors of SPV HK and SPV Lux

The following matters of SPV HK or SPV Lux shall be submitted to the respective Board of Directors of SPV HK / SPV Lux and approved by all directors unanimously: (1) introducing other strategic investors in SPV HK / SPV Lux; (2) imposing pledge or mortgage on the assets of SPV HK / SPV Lux; (3) SPV HK / SPV Lux providing guarantee or other forms of security to third party; (4) SPV HK / SPV Lux accepting any single loan with a value exceeding HK\$ 200,000 or lending any single loan with a value exceeding HK\$ 200,000 to third party, or repaying the undue loan in advance; (5) approving related party transaction concerning SPV HK / SPV Lux, other than the related party transactions as stipulated in the Agreement, as well as in the other agreements and documents relating to the Acquisition; and (6) SPV HK / SPV Lux selecting any auditor, lawyer and other agents.

Restrictions to SPV HK shares transferability

The Agreement sets forth certain lock-up provisions applicable to the parties (it being understood, however, that such provisions do not apply to any party's transfer to its affiliates). More specifically, as far as SRF is concerned (and the vehicle through which SRF invests in SPV HK): (i) until the fifth anniversary (included) of the First Closing Date (as defined in the Pirelli SPA), SRF shall not transfer, directly or indirectly, any ordinary share of SPV HK; (ii) between the fifth anniversary (excluded) and eighth anniversary (included) of the First Closing Date, SRF will be entitled to transfer up to 75% of the ordinary shares held in SPV HK; (iii) after the eighth anniversary (excluded) of the First Closing Date, SRF and its affiliates will be entitled to transfer all of their ordinary shares in SPV HK, with CNRC's support, where required.

As far as CNRC is concerned: (i) the lock-up period shall commence from the First Closing Date (as defined in the Pirelli SPA) and end on the earlier of the following dates: (x) the tenth anniversary of the First Closing Date (included); or (y) the date when SRF or its affiliates cease to hold any ordinary share of SPV HK; (ii) the number of SPV HK ordinary shares owned by CNRC and subject to lock-up shall be equal to 3 (three) times the number of ordinary shares owned by SRF and its affiliates from time to time and, in any event, shall not be less than 50% of all the shares issued by SPV HK. In any event, CNRC shall be free to transfer SPV HK shares upon SRF's consent.

The Agreement also provides that, unless the SRF Director in HK SPV agrees otherwise, the HK SPV shall not issue any new shares to any third party, or accept any equity investment in any form (including but not limited to investment in the ways of convertible bonds or warrants).

Finally, the Agreement contains a right of refusal clause which will be applicable after the expiry of the applicable lock-up periods.

Control

No provision in the Agreement is in prejudice to CC's right to exercise control on the Issuer through CNRC upon the Acquisition.

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 has been entered into on June 5, 2015 and shall not be terminated unless and until (i) it is terminated by all the parties concerned if they unanimously agree; or (ii) by one party if any of the other parties materially breaches any material obligations under the Agreement and cannot rectify its breach within 30 (thirty) days' rectification period. In addition, as provided by the Supplemental Agreement, the Agreement shall terminate upon the consummation of SPV Lux Assignment.

Companies' Register

The Supplemental 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