Head office in Milan – Viale Piero e Alberto Pirelli, 25
Share Capital euro 1,345,380,534.66
Milan Companies Register No. 00860340157
Administrative Business Register (REA) No. 1055

Disclosure Document

Prepared pursuant to the combined provisions of Article 114-bis Legislative Decree 58/1998 and Article 84-bis, paragraph 1, of Consob Resolution no. 11971 of May 14, 1999, as amended, regarding the Three-year Incentive Plan 2012-2014 for Pirelli Group Management.

March 29, 2012

INTRODUCTION

This disclosure document ("**Disclosure Document**") is prepared pursuant to the combined provisions of Article 114-bis of Legislative Decree 58/1998 ("**TUF**") and Article 84-bis, paragraph 1, of the Regulation adopted by Consob with Resolution no. 11971 of May 14, 1999, as amended ("**Issuers Regulation**") and consistently – including the numbering of its constituent sections – with the instructions set out in Format no. 7 of Schedule 3A of the Issuers Regulation.

The Disclosure Document is available to the public at the head office of Pirelli & C. S.p.A. ("**Pirelli & C.**") - located in Milan, Viale Piero e Alberto Pirelli 25 – and on the website of Pirelli & C. (www.pirelli.com), and at Borsa Italiana S.p.A. (Milano, Piazza degli Affari n. 6), pursuant to applicable laws and regulations.

The object of the Disclosure Document is the 2012-2014 Three-year Cash Long Term Incentive Plan for Pirelli Group Management ("**LTI Plan**"), approved by the Board of Directors of Pirelli & C. at its meeting on March 12, 2012 and submitted, pursuant to Article 114-bis TUF, for approval by the Shareholders' Meeting called for May 10, 2012 (on a single call).

Pursuant to the combined provisions of Article 114-bis, paragraph 3, of TUF and Article 84-bis, paragraph 2, of the Issuers Regulation – the LTI Plan must be considered "particularly material" insofar as it applies, inter alia, to the Chairman and Chief Executive Officer of Pirelli & C. and the Key Manager for the company by virtue of their regular access to insider information and authority to take decisions that can impact the evolution and future prospects of the Group.

Considering that the LTI Plan is a cash incentive plan, insofar as it does not involve the grant of shares or stock options, but only a cash incentive that is partially based on the performance of Pirelli & C. common stock in reference to benchmark companies, the Disclosure Document does not contain the information required for mechanisms that consider the granting of shares or stock options.

DEFINITIONS

To facilitate comprehension and reading of the Disclosure Document, a glossary of certain frequently used but previously undefined terms is provided as follows:

Target-based Annual Total Direct Compensation: the sum of the following components, regardless of whether they are paid by Pirelli & C. or by other Group companies: (i) the gross annual fixed component of remuneration; (ii) the annual variable component that the beneficiary would receive if he or she achieves the targets; (iii) the medium-long term annualisation of the variable component (i.e. the LTI) that the beneficiary would receive on achievement of the annual and medium-long term targets**.**

Remuneration Committee: the Remuneration Committee of Pirelli & C.

Board of Directors: the Board of Directors of Pirelli & C.

General Managers: the persons appointed as such by the Board of Directors of Pirelli & C. and having broad authority for management of business units. The General Managers at other Pirelli companies (unless otherwise resolved by the Board of Directors of Pirelli & C. qualifying them as "Key Managers") are Executives or Senior Managers for the purposes of this Policy and according to the position held.

Key Managers: the managers identified by the Board of Directors of Pirelli & C. who have the authority or responsibility to plan and control the Company's activities or to take decisions which may affect the development or future prospects of the Company and, more in general, of Pirelli.
Disclosure Document: this disclosure document;
Executives: executives of the Pirelli companies in Italy or employees at the foreign companies of the Group having a position or role equivalent to that of an Italian executive.
Group or Pirelli: all the companies included in the scope of consolidation of Pirelli & C.
Management: all the Directors holding special offices, the General Managers, the Key Managers, the senior managers and the executives.
MBO: the annual variable component of remuneration that is based on the achievement of pre-set business objectives.
Pirelli Tyre: Pirelli Tyre S.p.A., with head office in Milan, Taxpayer Identification Number and Milan Companies Register number 07211330159, a company 100% owned by Pirelli & C.
GAS: the gross annual fixed component of remuneration of the employees of any Group company.
Senior Managers: the managers to whom report (i) the Directors holding special offices and who are assigned specific functions of Pirelli & C. and (ii) the General Managers of Pirelli & C. whose activities have a significant impact on business results.
Company: Pirelli & C. S.p.A.

1. RECIPIENTS OF THE PLAN

1.1 List of names of the recipients who are members of the Board of Directors of Pirelli & C., the parent companies of Pirelli & C. and the direct or indirect subsidiaries of the latter.

The LTI Plan is open to all Group Executives and may also be extended to those who during the three-year period 2012-2014 join Group Management or assume an Executive position for internal career growth. In this case, participation is conditioned on enrolment in the Plan for at least one whole financial year, and the bonus percentages are pro-rated according to the number of months of participation in the LTI Plan.
LTI Plan participants include the following, inter alia:

- the Chairman and Chief Executive Officer of the Company, Marco Tronchetti Provera (in relation to his position as Chairman of the Board of Directors of Pirelli Tyre),
- the Deputy Chairman of the Company, Alberto Pirelli (in his capacity as manager of Pirelli Tyre),
- the General Manager of the Company, Francesco Gori (in his capacity as General Manager of Pirelli Tyre),

and the following Key Managers:

- the General Counsel and Chief of Corporate and Institutional Affairs, Francesco Chiappetta;
- the Chief Management Control, Maurizio Sala (in his capacity as manager of Pirelli Tyre S.p.A.);
- the Chief Financial Officer and Corporate Financial Reporting Manager, Francesco Tanzi.

Since the LTI Plan also covers Group Executives in general, its beneficiaries will include the directors of direct and indirect subsidiaries of Pirelli & C. who have since become Group Executives. Consequently, these persons participate in the LTI Plan in their capacity as members of Group Management (and not as directors of Group companies); in fact (with the sole exception of Mr Marco Tronchetti Provera), there are no beneficiaries of the LTI Plan who are directors of Group companies. For this reason their names cannot be given.

1.2 Categories of employees or collaborators of Pirelli & C. and the parent companies or subsidiaries of Pirelli & C.

As indicated at item 1.1 hereinabove, the LTI Plan is open to all Group Executives and may also be extended to those who join Group Management or assume an Executive position for internal career growth during the three-year period 2012-2014.

Therefore, aside from the Chairman of the Board of Directors of Pirelli & C. and Pirelli Tyre, the LTI Plan beneficiaries are those employees of Pirelli & C. or its direct or indirect subsidiaries inside or outside Italy and included in one of the following categories:

- employees who are managers of Pirelli & C.;
- employees who are managers of one of the Italian subsidiaries of Pirelli & C.;
- employees of subsidiaries of Pirelli & C. whose registered office is located outside Italy and who hold a position or role that is equivalent to that of an Italian manager given the title of Executive.

At the date of the Disclosure Document, in addition to the Chairman and Chief Executive Officer of the Company, Marco Tronchetti Provera, the Deputy Chairman of the Company, Alberto Pirelli (in his capacity as manager of Pirelli Tyre S.p.A.), the General Manager, Francesco Gori, the Key Managers (General Counsel and Chief of Corporate and Institutional Affairs, Francesco Chiappetta; Chief Management Control, Maurizio Sala; Chief Financial Officer and Corporate Financial Reporting Manager, Francesco Tanzi), the participants of the LTI Plan consist of 304 employees holding the title of Executive at the Group, with 24 of them holding that title on the basis of their managerial employment relationship with Pirelli & C. and the remaining 280 on the basis of their role as Executive at one of the Group companies inside or outside Italy other than Pirelli & C.

1.3 List of names of the plan beneficiaries belonging to the following groups:
a) General Managers of Pirelli & C.

The General Manager of Pirelli & C., Francesco Gori, is beneficiary of the LTI Plan. However, it must be pointed out that Mr Gori is beneficiary of the LTI Plan in his capacity as General Manager of Pirelli Tyre.

b) other Key Managers of Pirelli & C. who during the financial year have received aggregate compensation (obtained by adding the cash compensation and share-based compensation) that is greater than the highest aggregate compensation granted to members of the Board of Directors, or to the General Managers of Pirelli &. C.

None of the Key Managers of Pirelli & C. received aggregate compensation during the financial year that is greater than the highest aggregate compensation granted to members of the Board of Directors or to the General Managers of Pirelli & C.

c) natural persons who control Pirelli & C. that are employees or collaborate with Pirelli & C.

Not applicable.

1.4 Description and number, broken down by category:

a) of the Key Managers other than those indicated at item 1.3(b)

The following Key Managers of Pirelli & C. are participants in the LTI Plan:

- the General Counsel and Chief of Corporate and Institutional Affairs, Francesco Chiappetta;
- the Chief Management Control, Maurizio Sala (in his capacity as manager of Pirelli Tyre S.p.A.);
- the Chief Financial Officer and Corporate Financial Reporting Manager, Francesco Tanzi.

b) in the case of "smaller" companies, pursuant to Article 3(1)(f) of Regulation no. 17221 of March 12, 2010, with aggregate indication of all Key Managers of the issuer of financial instruments

Not applicable.

c) any other categories of employees or collaborators for whom the plan envisages different characteristics (e.g. managers, cadres, white-collar employees, etc.)

The incentive scheme envisaged by the LTI Plan is the same for all Plan participants (and is described in section 2.2), being differentiated only by the percentage of the assigned incentive. This bonus percentage rises according to the position held and considering the benchmarks applicable to each individual.

2. REASONS FOR ADOPTION OF THE PLAN

2.1 Objectives to be achieved through grant of the plans.

In general, the 2012 Remuneration Policy adopted by Pirelli (the "**2012 Policy**") is designed to attract, motivate and retain resources possessing the professional qualifications necessary for profitably pursuing Pirelli Group objectives.

The 2012 Policy in general, and the LTI Plan in particular, are defined in such a way as to align Management interests with those of shareholders, pursuing the primary objective of creating sustainable value in the medium-long term through the creation of an effective and verifiable link between compensation, on the one hand, and individual and Group performance on the other.

It is envisaged that the LTI Plan have a three-year duration (2012-2014), corresponding to the duration of the Business Plan presented to the financial community on November 9, 2011. That Business Plan was used to define the medium-long term incentive targets for granting the LTI Plan participants the bonus specified in the LTI Plan.

2.2 Key variables, including the performance indicators used to grant share-based incentive plans.

2.3 Base elements used to determine the amount of share-based compensation, or the criteria used to determine it.

The 2012-2014 LTI Plan is broken down into two components:

(i) the "pure LTI Bonus": conditioned on fulfilment of the three-year targets and determined as a percentage of the gross annual fixed component/GAS received by the beneficiary at the established Plan vesting date. This bonus percentage rises according to the position held and considering the benchmarks applicable to each individual.

The maximum pure LTI Bonus cannot be more than 1.5 times the bonus that may be received if the targets are met.

If the targets are missed, the beneficiary is not vested, not even on a pro-rated basis, for distribution of the pure LTI Bonus;

(ii) the "co-investment LTI Bonus": a portion of the MBO includes a "co-investment" mechanism. The participant in the LTI Plan "co-invests" 50% of his 2012 and 2013 MBO (hereinafter, the "co-invested MBO").

Given the operating rules of the LTI Plan, half of the "co-invested MBO" is not subject to additional performance targets, and may thus be qualified as "deferred MBO."

Payment of the other half is conditioned instead on fulfilment of the three-year targets and is thus a variable medium-long term component. If the targets are met, in addition to return of the co-invested MBO, the Plan participant is entitled to it being increased by between 50% and 125%. The "co-invested MBO" supplemented is granted in the amount of 50% of what is "co-invested" on fulfilment of the three-year targets. The variation in the supplement (up to 125% of the co-invested MBO) is based instead on additional medium-long term targets (the supplement is referred to below as the "LTI co-investment bonus").

The 2012-2014 LTI Plan includes a financial access condition comprised by the net cash flow of the Group accumulated over the three-year period. Another condition for access to the pure LTI Bonus consists of attainment of the value creation target, which also qualifies the recipient for the 50% supplement of the co-invested MBO.

The 2012-2014 LTI Plan introduces several innovations from previous Plans in regard to the medium-long term objectives and the metrics used to measure them.

In particular:

- The following two types of targets and related weights are established for the pure LTI Bonus:
    - "Target-based value creation objective" that measures the capacity of the company to create value over the medium-long term considering the profitability of ordinary operations compared with the amount of invested capital and its cost. In particular, this target is equal to the difference between NOPAT (*Net Operating Profit After Tax*) and the weighted average cost of capital plus working capital.

      Fulfilment of the target-based value creation objective (determined by considering a cumulated EBIT for the three-year period corresponding to the amount set in the Three-year Business Plan) qualifies the beneficiary to receive 100% of the pure LTI Bonus. If the target value is reached, the Plan participant is entitled (according to the position held and considering the benchmarks for each position) is entitled to a bonus calculated as a percentage of his fixed component, which ranges from 60% to 300%.

      Two thirds of the difference between the target-based pure LTI Bonus and the maximum LTI Bonus will be determined by the improvement in the value creation result.

      The remaining one third of the difference between the pure LTI bonus and the maximum LTI bonus is determined on the basis of a total shareholder return ("TSR") target calculated as performance of the Pirelli stock compared with (i) the FTSE/MIB Index Total Return, periodically calculated by FTSE and present on the database of Borsa Italiana and (ii) an index composed of selected peers in the tyre sector, composed of Michelin, Bridgestone, Goodyear, Continental, Nokian and Hankook.

The "incremental" calculation of final Pirelli performance is determined as follows: one third of this part of the bonus accrues if the Pirelli TSR during the three-year period will be at least equal to the TSR of the FTSE/MIB index; two thirds of the same portion of the bonus accrue if the Pirelli TSR during the same period is at least equal to the weighted average TSR of the sample of peers; the two portions are cumulative.

The comparative period is the second half of 2014 as compared with the second half of 2011.

- For the LTI co-investment bonus component:
  - fulfilment of the target-based value creation objective results in return of the co-invested MBO plus a supplement of 50%;
  - the supplement of the co-invested MBO may reach a maximum of 125% on condition of satisfaction of two other objectives, unrelated to each other:
    1) two thirds of the incremental difference between the supplement of 50% of the co-invested MBO and the supplement of 125% of the co-invested MBO are calculated in relation to improvement in the average return on sales target result for the three-year period 2012-2014 ("ROS 2012-2014"), which is the weighted average of the ratio between operating income net of restructuring expenses and consolidated net sales accumulated during the three-year period net of non-recurring transactions;
    2) the remaining one third of the difference between the supplement of 50% of the co-invested MBO and the supplement of 125% of the co-invested MBO is calculated on the basis of a Sustainability indicator in relation to the position of Pirelli in the following indices: (i) Dow Jones Sustainability Index, Autoparts and Tyre segment, and (ii) FTSE4Good Tyre;
  - If the access condition and/or target-based value creation objective is not met, the LTI Plan participant is entitled to return of half of the co-invested MBO (return of the co-invested MBO not subject to performance conditions).

2.4 Reasons for any decision to grant compensation plans based on financial instruments not issued by Pirelli & C., such as financial instruments issued by subsidiaries or parent companies or other companies not belonging to the same group; if these financial instruments are not traded on regulated markets, information about the criteria used to determine the value attributable to them.

Not applicable.

2.5 Considerations in regard to material tax and accounting implications that affected definition of the plans.

There are no tax and accounting implications that affected definition of the LTI Plan.

2.6 Any support for the plan from the Special Incentive Fund for worker participation in businesses, pursuant to Article 4(112) of Law 350 of December 24, 2003.

The Plan does not receive any support from the Special Incentive Fund for worker participation in businesses, pursuant to Article 4(112) of Law 350 of December 24, 2003.

3. APPROVAL PROCESS AND TIMELINE FOR ASSIGNMENT OF INSTRUMENTS

3.1 Scope of powers and functions delegated to the shareholders' meeting by the board of directors for implementation of the plan.

The LTI Plan is exclusively a cash incentive plan, and it is not envisaged that the Shareholders' Meeting delegate specific powers and/or functions to the Board of Directors for implementation of the Plan.

3.2 Indication of the persons delegated to manage the plan, and their function and responsibilities.

After December 31, 2014, the Board of Directors of Pirelli & C., after examination by the Remuneration Committee, will audit attainment of the targets set in the LTI Plan and will determine – only for the persons listed by name at item 1.1. – the amount of bonus owed to them that will be paid, if they qualify, by April 2015.
For all other beneficiaries, the LTI Plan incentive will be calculated by the Group Human Resources and Organisation Department and Management Control Department.

3.3 Any procedures in place for revision of the plans according to any changes in the base objectives.

The LTI Plan envisages that, after examination by the Remuneration Committee and issuance of the opinion by the Board of Statutory Auditors, the Board of Directors of Pirelli & C. may decide to revise the LTI Plan in the event of extraordinary operations that modify the scope of consolidation of the Group and/or profound changes in the macroeconomic and business scenario. The purpose of doing so is to preserve the aims of the LTI Plan to constantly align corporate objectives and the objectives at the basis of the Management incentive systems.

3.4 Description of the procedures used to determine the availability and assignment of the financial instruments on which the plans are based (e.g. bonus issue of shares, capital increases without rights issues, purchase and sale of treasury shares).

Not applicable.
Since the LTI Plan is a cash incentive plan, it does not envisage the grant of financial instruments but rather the payment of a cash incentive.

3.5 Role played by each director in determining the characteristics of the cited plans; existence of any conflicts of interest involving the affected directors.

Pursuant to Article 2389 Italian Civil Code, the 2012-2014 LTI Plan has been approved on motion by the Remuneration Committee, by the Board of Directors of Pirelli & C. and by the Board of Directors of Pirelli Tyre, and in both cases after issuance of a favourable opinion by their Boards of Statutory Auditors.
Since the Chairman and Chief Executive Officer of Pirelli & C. is a beneficiary of the LTI Plan, by virtue of his office held at Pirelli Tyre, he did not participate in voting on the resolution approving the LTI Plan and the resolution approving his inclusion as one

of the beneficiaries of the LTI Plan adopted by the Board of Directors of Pirelli & C. and the Board of Directors of Pirelli Tyre.
The Deputy Chairman of Pirelli & C. is beneficiary of the LTI Plan insofar as he is a manager of Pirelli Tyre; he did not participate in voting on the resolution that approved the LTI Plan adopted by the Board of Directors of Pirelli & C.

3.6 Date of the decision taken by the delegated body to propose approval of the plans to the shareholders' meeting and any proposal by the remuneration committee.
At its meeting on March 12, 2012, the Board of Directors of Pirelli & C. approved – on motion by the Remuneration Committee (which met on March 1, 2012) and with the favourable opinion of the Board of Statutory Auditors – the new LTI Plan and the motion to submit it for approval by the Shareholders' Meeting of Pirelli & C. called for May 10, 2012 (on a single call).

3.7 Date of decision taken by delegated body on grant of financial instruments and any proposal to that body made by the remuneration committee.
Not applicable.

3.8 Market price quoted on those dates for the financial instruments on which the plans are based, if those instruments are traded on regulated markets.
Part of the pure LTI bonus is determined on the basis of the Pirelli Total Shareholder Return ("TSR") compared with (i) the FTSE/MIB Index Total Return, periodically calculated by FTSE and present on the database of Borsa Italiana and (ii) an index composed of selected peers in the tyre sector, composed of Michelin, Bridgestone, Goodyear, Continental, Nokian and Hankook.
The comparative period is the second half of 2014 as compared with the second half of 2011.

3.9 In the case of plans based on financial instruments traded on regulated markets, in what terms and according to what conditions the issuer accounts, when determining the timing for grant of the instruments in implementation of the plans, for the possibility that the following occur simultaneously:
i) this grant or any decisions taken in this regard by the remuneration committee, and
ii) the disclosure of any material information pursuant to Article 114(1); for example, if this information is:
a. not already public and could have a positive impact on market quotations, or
b. already published and could have a negative impact on market quotations.
Not applicable.

4. CHARACTERISTICS OF GRANTED INSTRUMENTS
4.1 Description of forms in which the share-based compensation plans are structured.
This is not applicable insofar as the LTI Plan does not envisage the grant of financial instruments but rather involves payment in favour of the participants of a mere cash incentive according to attainment of the objectives indicated at item 2.2.

4.2 Indication of the period that the plan is actually implemented, also in reference to any different cycles that might be envisaged.
The LTI Plan applies in reference to the three-year period 2012-2014.

4.3 Expiry of plan.

The LTI Plan terminates on December 31, 2014, and sets April 2015 as the date for payment to the participants of the medium-long term incentive, on condition that their term and/or employment relationship have not terminated for any reason at December 31, 2014.

4.4 Maximum number of financial instruments, including in the form of options, assigned every tax year according to the individually named persons or the indicated categories.

Not applicable since the LTI Plan does not envisage the grant of financial instruments but rather payment of a cash incentive.

4.5 Terms, conditions and clauses for implementation of the plan, specifying whether actual assignment of the instruments is subject to the satisfaction of conditions or achievement of certain results, including performance results; description of these conditions and results.

Not applicable since the LTI Plan does not envisage the grant of financial instruments but rather payment of a cash incentive.
However, the functioning of the LTI Plan is described at item 2.2.

4.6 Indication of any restrictions on availability imposed on the granted instruments or on the instruments resulting from exercise of the options, particularly in regard to the deadlines by which subsequent transfer to the company itself or third parties is allowed or prohibited.

Not applicable.

4.7 Description of conditions subsequent associated with grant of the plans if the recipients execute hedging transactions that allow neutralisation of any bans on sale of the granted financial instruments, even if they are in the form of options, or the financial instruments resulting from exercise of these options.

Not applicable.

4.8 Description of the effects resulting from termination of the employment relationship.

The LTI Plan also promotes employee retention. If the individual's term in office and/or employment relationship should end for any reason before the end of the three-year period, the beneficiary's participation in the Plan terminates and consequently the pure LTI bonus will not be paid, not even on a pro-rated basis.
The portion of co-invested MBO not subject to performance conditions (i.e. deferred MBO) will be returned only if the Manager's employment relationship is terminated for no fault of his own (and thus including natural events and demerger of the Manager's company from the Group).
For the Directors holding special offices and assigned specific functions (which is the case of the Chairman and Chief Executive Officer, Mr Tronchetti Provera) who leave office upon expiry of their term or for no fault of their own (and thus including natural events), the co-invested MBO shall be returned with the 150% supplement while, as previously mentioned, the pure LTI bonus will not be paid, not even on a pro-rated

basis.

4.9 Indication of any other causes for annulment of the plans.
The Regulation does not envisage causes of annulment.

4.10 Reasons for any provision allowing company "redemption" of the financial instruments covered by the plans, pursuant to Articles 2357 et seq. Italian Civil Code; beneficiaries of the redemption by indicating whether it targets only specific categories of employees; effects of termination of employment relationship on this redemption.
Not applicable.

4.11 Any loans or other subsidies to be granted for purchase of the shares pursuant to Article 2358 Italian Civil Code.
Not applicable.

4.12 Indication of measurements of the expected cost for the company at the date of the assignment, as can be determined on the basis of previously defined terms and conditions, for a total amount and in relation to each instrument of the plan.
The costs for the entire LTI bonus are included in the Three-year Business Plan targets, so that the cost of the LTI plan is "self-financed" by fulfilment of the targets themselves.
In particular, it is possible to estimate that the total consolidated cost related to the LTI Plan for the three-year reference period falls between a minimum of zero euros (earnings targets not achieved) and a maximum of about euro 174 million if the maximum objectives envisaged in the LTI Plan are achieved.

4.13 Indication of any dilution of the equity capital resulting from the compensation plans.
Not applicable.

4.14 Any limits imposed on exercising the voting right and grant of ownership rights.
Not applicable.

4.15 If the shares are not traded on regulated markets, all useful information.
Not applicable.

4.16 Number of financial instruments underlying each option.
Not applicable.

4.17 Expiry of options.
Not applicable.

4.18 Conditions (American/European), timelines (e.g. periods valid for exercise) and exercise clauses (e.g. knock-in and knock-out clauses).
Not applicable.

4.19 Exercise price of option or the terms and criteria used to determine it, particularly in regard to:
a) the formula for calculation of the exercise price in relation to a specific market price (fair market value) (e.g. exercise price of 90%, 100% or 110% of market price), and
b) terms and conditions for determination of reference market price for determination of exercise price (e.g. last price of the day before grant, average for the day, average over the last 30 days, etc.).
Not applicable.

4.20 If the exercise price is not equal to the market price determined as indicated at item 4.19.b (fair market value), reasons for this difference
Not applicable.

4.21 Criteria on the basis of which different exercise prices are expected between various persons or various categories of recipients.
Not applicable.

4.22 If the financial instruments underlying the options are not traded on regulated markets, indication of the value attributable to the underlying instruments or the criteria used to determine this value.
Not applicable.

4.23 Criteria for the adjustments that are necessary after extraordinary capital operations and other operations that alter the number of underlying instruments (capital increases, extraordinary dividends, reverse stock split and fractioning of the underlying shares, merger and demerger, conversion into other classes of stock, etc.).
In the case of extraordinary capital operations that modify the Group scope of consolidation and/or profound changes in the macroeconomic and business scenario, the Board of Directors of Pirelli & C. and Pirelli Tyre have the authority, to the extent of their authority, to determine whether it is necessary to adjust the benchmark value for calculation of the TSR.

4.24 The stock issuers shall append Table 1 attached hereto by filling out:
a) in all cases, the spaces that are specifically applicable in section 1 of forms 1 and 2;
b) the specifically applicable spaces in section 2 of forms 1 and 2, on the basis of the characteristics already defined by the board of directors.
For the members of the board of directors or the supervisory board, the general managers and other key managers of the listed issuer, the respondent may provide by reference to what has been published pursuant to Article 84-quater the data in Section 1, Table 1 and the information requested at item 1 for:
- item 1.1;
- items a) and b) of item 1.3;
- items a) and b) of item 1.4,
Not applicable.
Since the LTI Plan is a cash incentive plan, it does not envisage the grant of financial instruments but rather the payment of a cash incentive.