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PRESS RELEASE

PIRELLI: UPON LISTING, "DIREZIONE E COORDINAMENTO"¹ BY THE PARENT COMPANY MARCO POLO WILL CEASE

NEW SHAREHOLDERS' AGREEMENT ENVISAGING A POST-LISTING BOARD FEATURING A MAJORITY OF INDEPENDENT DIRECTORS (8 OUT OF 15) WITH KEY ROLES WITHIN THE COMMITTEES

REN JIANXIN CONFIRMED AS CHAIRMAN. MARCO TRONCHETTI PROVERA EXECUTIVE VICE CHAIRMAN AND CHIEF EXECUTIVE OFFICER WITH POWERS FOR THE ORDINARY MANAGEMENT

ARTICLE 3 OF NEW BY-LAWS PROVIDES THAT "PIRELLI'S CORPORATE GOVERNANCE WILL BE CHARACTERIZED BY BEST INTERNATIONAL PRACTICES" AND PROTECTION OF THE ITALIAN HEADQUARTERS, R&D AND TRADEMARKS, WITH TRANSFERS BEING POSSIBLE ONLY IF SHAREHOLDERS' MEETING APPROVES WITH 90% OF TOTAL SHARE CAPITAL

Milan, 31 August 2017 – In the context of the process leading up to Pirelli's upcoming listing on the Milan Stock Exchange, Pirelli announces that its Board of Directors has acknowledged the cessation of Marco Polo International Italy S.p.A.'s management and coordination activities upon the start of trading of the Company's shares. Therefore, starting on such date, Pirelli will no longer be subject to any management and coordination activity on the part of controlling shareholders, whether direct or indirect, or any other company or entity, without prejudice to the right on the part of China National Tire & Rubber Corporation Ltd. ("CNRC") to consolidate Pirelli. Such circumstance will further reinforce Pirelli's and its management's autonomy in defining and managing industrial, economic and financial strategies.

¹ This means that in the future Pirelli shall take its own resolutions autonomously and independently without the obligation to conform to resolutions taken by any of its parent companies

Moreover, on 1 August 2017, the Shareholders' Meeting adopted new corporate By-laws. Such By-laws, which will come into effect upon the listing, expressly provide, among other things, that Pirelli's "corporate governance will be inspired by best international practices".

With a view to protecting all shareholders, specific by-laws provisions are also included with the aim of preserving over time Pirelli's constitutive and intrinsic elements such as the continued presence in Italy of the group's headquarters and executive offices, as well as control over its technological know-how (including the Pirelli trademarks). On these matters, in particular, the By-laws provide (i) that Pirelli's technological know-how must continue to be owned by Pirelli and may not be transferred to third parties, except to the extent provided under the By-laws and (ii) that Pirelli's operating and administrative headquarters must remain in Milan.

Exemptions to such provisions would be possible only through a prior resolution passed by Pirelli's shareholders' meeting with the favorable vote of at least 90% of the share capital.

Also on 1 August 2017, the Shareholders' Meeting appointed the new Board of Directors, in accordance with the new shareholders' agreement entered into on 28 July 2017 (the "New Shareholders' Agreement") by, *inter alia*, China National Chemical Corporation, CNRC, Silk Road Fund, Camfin, LTI and Marco Tronchetti Provera & C. S.p.A., ("MTP&C"), the company positioned at the top of Camfin's ownership structure. The New Shareholders' Agreement, governs, *inter alia*, Pirelli's governance post-listing. The essential elements of the New Shareholders' Agreement are available on the Company's website (www.pirelli.com).

The general principle defined by MTP&C and CNRC, which forms the basis for the New Shareholders' Agreement, establishes that the governance structures, which are inspired by best international practices, are aimed at preserving Pirelli's business culture by taking advantage of the long-term retention of management. MTP&C and CNRC have agreed that the task of managing Pirelli is the current management's prerogative. In such regard, a fundamental role is played by Marco Tronchetti Provera, in his position as Executive Vice Chairman and Chief Executive Officer, in guiding top management and ensuring continuity in Pirelli's business culture, also through his key role in the designation of his successor in 2020.

The New Shareholders' Agreement provides that Pirelli's Chairman has powers of legal representation of the Company as well as the other powers granted under the By-laws, without prejudice to the powers and prerogatives of the Board of Directors. Powers of ordinary management of Pirelli and the Pirelli group are delegated to the Executive Vice Chairman and Chief Executive Officer, while the Board of Directors maintains competence over so-called important matters. With reference to such important matters, MTP&C and CNRC have agreed that any decisions made by the Board against a related proposal submitted to the Board by Pirelli's Executive Vice Chairman and Chief Executive Officer must be justified and must take into account Pirelli's best interest.

The New Shareholders' Agreement, with the aim of further strengthening the role of committees and control/oversight bodies, envisages, among other things, that Pirelli's Board of Directors, which is currently comprised of 14 members, 7 of whom are independent, be supplemented with an additional independent director, to be appointed at the first Shareholders' Meeting of Pirelli to be held after the listing by the minority shareholders, with the voting majorities provided by law without application of the slate voting mechanism. Following such supplementation, the Board of Directors will be comprised of 15 Directors, the majority of whom will be independent, playing a key role in the composition of the Board's committees.

The Board of Directors - which will remain in office for three years starting on 31 August 2017, and therefore until the Shareholders' Meeting called for the approval of the financial statement as of and for period ended 31 December 2019 - is comprised of the following individuals: Ren Jianxin, Marco Tronchetti Provera, Yang Xingqiang, Bai Xinping, Giorgio Luca Bruno, Ze'ev Goldberg, Giovanni Tronchetti Provera, and the independent directors Laura Cioli, Domenico De Sole, Fan Xiaohua, Marisa Pappalardo, Cristina Scocchia, Tao Haisu and Wei Yintao.

Ren Jianxin was confirmed as the Chairman of the Board of Directors and Marco Tronchetti Provera was confirmed as Executive Vice Chairman and Chief Executive Officer.

In particular, in accordance with the New Shareholders' Agreement:

- the directors Ren Jianxin, Yang Xingqiang, Bai Xinping, Ze'ev Goldberg, Tao Haisu, Marisa Pappalardo, Fan Xiaohua and Wei Yintao were appointed at CNRC's designation;
- the directors Marco Tronchetti Provera, Giovanni Tronchetti Provera, Giorgio Luca Bruno and Laura Cioli were appointed at MTP&C's designation;
- the directors Domenico De Sole and Cristina Scocchia were appointed by Marco Polo International Italy SpA at CNRC's and MTP&C's joint designation, also taking into account the Joint Global Coordinators' indications on the directors' professional qualifications.

The Board of Directors, which met for the first time today in Milan, also approved by resolution, starting from the listing, the adoption of the Corporate Governance Code for Listed Companies and the establishment of the following Committees, as well as the appointment of their members:

- Control, Risks, Sustainability and Corporate Governance Committee (comprised exclusively of independent directors);
- Related Party Transactions Committee (comprised exclusively of independent directors);
- Remuneration Committee (featuring a majority of independent directors);

- Appointments and Successions Committee;
- Strategies Committee.

The Control, Risks, Sustainability and Corporate Governance Committee and the Remuneration Committee will be supplemented with the independent director appointed, as indicated above, by the Company's first shareholders' meeting to be held post-listing.

The list of the members of each committee is available on the Company's website.

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