

SHAREHOLDERS' AGREEMENT NOTIFIED TO CONSOB PURSUANT TO ART. 122 OF LEGISLATIVE DECREE 24.2.1998, N. 58 - ESSENTIAL INFORMATION PURSUANT TO ART. 130 OF CONSOB REGULATION N. 11971/1999, AS SUBSEQUENTLY AMENDED

SHAREHOLDERS AGREEMENT BETWEEN UNICREDIT S.P.A., INTESA SANPAOLO S.P.A. AND NUOVE PARTECIPAZIONI S.P.A.

This essential information is updated on November 6, 2015 in the paragraph "Parties to the Shareholders Agreement", at the end of the mandatory tender offer launched by Marco Polo Industrial Holding S.p.A. over the ordinary shares of Pirelli, pursuant to articles 106, paragraph 1-bis and 109 of Legislative Decree 24 February 1998, n. 58 ("TUF"), and of the completion of the sell-out procedure provided by art. 108, paragraph 1, TUF and of the squeeze-out provided by art. 111 TUF, as well as in certain paragraphs of the Premises to take into account the completion of the Restructuring of the CF Stake (as defined below).

Please find below, in italics and underlined, the provisions added or reformulated compared to the draft of the essential information updated on October 6, 2015.

With reference to:

- (i) the sale and purchase agreement and co-investment (the "**SPA and Co-Investment Agreement**") executed on March 22, 2015 between China National Chemical Corporation ("**CC**"), China National Tire & Rubber Corporation, Ltd. ("**CNRC**"), Camfin S.p.A. ("**CF**"), Long-Term Investments Luxembourg S.A. ("**LTI**") and Coinv S.p.A. ("**Coinv**"), which governs the terms and conditions for the completion of a large corporate and industrial transaction (the "**Transaction**") aimed at the acquisition of the control over Pirelli & C. S.p.A. ("**Pirelli**"), its possible de-listing and the subsequent reorganization and long-term industrial value creation of Pirelli in view of its possible re-listing, and
- (ii) the shareholders agreement attached to the SPA and Co-Investment Agreement - filed on the date hereof with the Companies Register of Milan and whose essential information under art. 130 of Consob Regulation n. 11971/1999 are published in accordance with the terms of the current legislation on the website www.pirelli.com - (the "**CC Shareholder Agreement**") which sets forth the rules and the contractual undertakings regarding, inter alia, (a) the governance of the corporate chain used in the context of the Transaction and of Pirelli, (b) the possible relisting of Pirelli in the case the de-listing of the same is achieved and (c) the exit by CF and LTI from the respective investment both in the case of non-de-listing of Pirelli, and in case of de-listing of the same Pirelli, and
- (iii) the restatement of shareholders agreement (the "**CF Restatement**") executed on March 22, 2015 among Nuove Partecipazioni S.p.A. ("**NP**"), Coinv, LTI (Coinv and LTI, collectively, the "**Internal Parties**") and, for the sole purposes of certain provisions provided therein, UniCredit S.p.A. ("**UC**") and Intesa Sanpaolo S.p.A. ("**ISP**"), and – as from April 16, 2015 – Manzoni S.r.l. ("**Manzoni**"), to which, amongst others, is attached a shareholders agreement (the "**Coinv / LTI Shareholders Agreement**") which rules the relations between the Internal Parties in relation to and upon completion of the agreements under the SPA and Co-Investment Agreement;

please note that, on the same March 22, 2015, UC, ISP and NP have also executed a further restatement (the "**Coinv Restatement**"), to which Manzoni has adhered on April 16, 2015, to which is attached a shareholders agreement (the "**Coinv Shareholders Agreement**") which governs, as better indicated below, the relations between the parties in relation to and upon completion of the agreements under the SPA and Co-Investment Agreement and which includes provisions relevant under art. 122, paragraph one and paragraph five of Legislative Decree 24.2.1998, n. 58.

Please note that the SPA and Co-Investment Agreement provides that the Transaction is implemented, on the terms and conditions provided therein, through the completion of the following activities:

- the establishment by CNRC of the corporate structure necessary to implement the Transaction through the incorporation of (a) a Hong Kong-based company ("**SPV HK**"), which shall be controlled by CNRC and potentially participated by other investors, (b) a newly incorporated

Luxembourg company (“**SPV Lux**”), directly participated by SPV HK, (c) a newly incorporated Italian joint stock company (Marco Polo International Italy S.p.A., “**Newco**”), directly participated by SPV Lux; (d) a newly incorporated Italian joint stock company (Marco Polo International Holding Italy S.p.A., “**Holdco**”), directly participated by Newco; and (e) a newly incorporated Italian joint stock company (Marco Polo Industrial Holding S.p.A., “**Bidco**”), directly participated by Holdco;

- the acquisition by Bidco, at the date of the first closing of the Transaction, as identified and defined in the SPA and Co-Investment Agreement subject to the satisfaction of the conditions precedent provided therein (the “**First Closing Date**”), of the Pirelli shares directly held by CF (the “**Initial Acquisition**”);
- the undertaking by CF (and, after completion of the Restructuring of the CF Stake, as defined below, by CF and LTI pro-quota to the participation held by the same upon completion of the above restructuring), to reinvest in Newco a portion of the proceeds from the Initial Acquisition up to a maximum aggregate amount equal to Euro 1,149 million;
- for the purposes of the above *alinea*, the right of CF (and, after completion of the Restructuring of the CF Stake, as defined below, by CF and LTI pro-quota to the participation held by the same upon completion of the above restructuring) to subscribe, on the conditions set forth in the SPA and Co-Investment Agreement, certain capital increases of Newco, it being understood that: (a) the participation held by CF following the above subscriptions (the “**CF Stake**”) – and, following completion of the Restructuring of the CF Stake, by CF and LTI, jointly considered – shall not be lower than 35% nor higher than 49% if Pirelli, following the Offer (as defined below), is not de-listed, or than 49.9% if Pirelli, following the Offer, is de-listed, and that (b) the participation held by CNRC in Newco shall never be reduced below 51% Pirelli, following the Offer, is not de-listed, or 50.1% if Pirelli, following the Offer, is de-listed;
- the undertaking by CNRC to invest in Newco up to a maximum aggregate amount equal to Euro 2,133 million, subscribing in one or more solutions certain capital increases of Newco;
- the launch by Bidco of a mandatory tender offer on the remaining ordinary share capital of Pirelli pursuant to Section 106 and Section 109 of the TUF at the same price per share paid by Bidco for the acquisition of the Pirelli shares in the context of the Initial Acquisition, and of a voluntary tender offer on the entire saving share capital of Pirelli at a price of Euro 15.00 per saving share (the above offers, collectively, the “**Offer**”), with the goal to delist Pirelli;
- following completion of the Transaction, in accordance with the applicable laws and corporate governance procedures and subject to reaching the necessary quorum in the shareholders meeting of Pirelli, the merger, as the case may be, of Pirelli and/or Bidco and/or – if and to the extent allowed by the financing banks – also of Holdco, depending on whether Pirelli is de-listed or remains listed following completion of the Offer.

Please also note that, with the execution of the CF Restatement,

- Coinv and LTI have agreed to participate directly to the Transaction through the same class of shares (the class B shares issued by Newco), and for the effect to allocate between them the capitalization obligations of CF in relation to Newco pursuant to the SPA and Co-Investment Agreement. For such purposes, Coinv and CF have agreed to implement a corporate reorganization of CF and restructuring of the CF Stake (jointly, the “**Restructuring of the CF Stake**”) upon completion of which LTI and its subsidiary LTI Holding S.r.l. (“**LTI Ita**”) shall disinvest from the corporate capital of CF and which is to be completed, where possible, on the First Closing Date so that, upon completion of such restructuring:
 - o Coinv owns a participation representing the entire share capital of CF, which, in turn, shall own a participation in Newco equal to 64% of the CF Stake, and
 - o LTI owns (directly and through LTI Ita) a participation in Newco equal to 36% of the CF Stake,

it being understood that the above apportionment shall remain the same also upon completion of the Offer and without prejudice, in any event, to the possibility for CF to subscribe, on the terms and conditions under the SPA and Co-Investment Agreement, an additional capital increase *(the*

“Additional Capital Increase”); in such case the above apportionment (64%-36%) of the CF Stake shall be adjusted accordingly, it being understood that under no circumstances it shall allow a dilution of LTI and LTI Ita, jointly considered, below 12.6% of the share capital of Newco;

- on the First Closing Date: (i) LTI, NP, Coinv, ISP, Manzoni and UC shall terminate by mutual agreement the existing shareholders agreement over CF (the “**First CF Shareholders Agreement**”) dated May 24, 2014 among NP, ISP, UC, Coinv, LTI and Manzoni and (ii) Coinv and LTI shall execute the Coinv / LTI Shareholders Agreement, whose entry into force is subject to the condition precedent of the completion of the Restructuring of the CF Stake.

With the execution of the Coinv Restatement, the parties have agreed that, by and no later than the First Closing Date (in any case subject to the condition subsequent of the execution, on the First Closing Date, of the CC Shareholders Agreement) the following activities shall be carried out and the following documents shall be executed:

- (a) UC, ISP and NP shall execute an agreement to terminate the shareholders agreement executed by the same and effective as of July 10, 2014 in relation to Coinv, CF, Pirelli and Prelios S.p.A. (the “**First Coinv Shareholders Agreement**”);
- (b) UC and ISP shall procure that (a) the director jointly designated by the same in the board of directors of CF and (b) the 2 (two) directors designated by each of them in the board of directors of Pirelli resign from office within, and with effect from the First Closing Date;
- (c) the parties shall execute the new Coinv Shareholders Agreement, in the form attached to the Coinv Restatement, which shall replace the First Coinv Shareholders Agreement.

Whereas all the above, on August 11, 2015:

- (i) the First Closing of the Transaction has been completed, the CC Shareholders Agreement has been executed and, for the effect:
- (ii) the First Coinv Shareholders Agreement has been terminated,
- (iii) the First CF Shareholders Agreement has been terminated,
- (iv) the new Coinv Shareholders Agreement has been executed,
- (v) the Coinv / LTI Shareholders Agreement has been executed (provided that it shall enter into force only on the date of completion of the Restructuring of the CF Stake).

On November 4, 2015, the Restructuring of the CF Stake has been completed.

SHAREHOLDERS AGREEMENT

The Coinv Shareholders Agreement restates the agreements set forth in the First Coinv Shareholders Agreement to take into account, limited to the participation held in CF, the new corporate governance rules and certain exit procedures which the parties have agreed upon in the context of the broadest agreements between all the parties involved and reflected in the CC Shareholders Agreement and in the Coinv / LTI Shareholders Agreement, while the provisions of the First Coinv Shareholders Agreement regarding the participation held by Coinv in Prelios S.p.A. are not affected and are reiterated in the new agreement.

COMPANY WHOSE FINANCIAL INSTRUMENTS ARE OBJECT OF THE SHAREHOLDERS AGREEMENT

Coinv S.p.A., joint stock company with registered office in Milan, Piazza Borromeo n. 12, share capital of Euro 167.767.088,50, fully paid-in, tax code, VAT number and registration number at the Companies Register of Milan 08852660961.

Camfin S.p.A., joint stock company with registered office in Milan, Piazza Borromeo 12, registration number at the Companies Register of Milan, tax code and VAT number 00795290154, share capital Euro 286,931,948.94.

Pirelli & C. S.p.A., joint stock company with registered office in Milan, Viale Piero e Alberto Pirelli n. 25, share capital of Euro 1,345,380,534.66, fully paid-in, tax code, VAT number and registration number at the Companies Register of Milan 00860340157, with saving shares listed on the MTA organized and managed by Borsa Italiana S.p.A..

Prelios S.p.A., joint stock company with registered office in Milan, Viale Piero e Alberto Pirelli 27, registration number at the Companies Register of Milan, tax code and VAT number 02473170153, subscribed share capital of Euro 426,441,257.20 (“**Prelios**”), with ordinary shares listed on the MTA organized and managed by Borsa Italiana S.p.A..

PARTIES TO THE SHAREHOLDERS AGREEMENT AND FINANCIAL INSTRUMENTS OBJECT OF THE SHAREHOLDERS AGREEMENT

Parties to the Shareholders Agreement.

The following companies (the “**Parties**”) are party to the Shareholders Agreement:

- (i) **UniCredit S.p.A.**, with registered office in Rome, Via Alessandro Specchi 16, share capital, fully paid-in, of Euro 20,257,667,511.62, tax code, VAT number and registration number at the Companies Register of Rome 00348170101, with shares listed on the *Mercato Telematico Azionario* organized and managed by Borsa Italiana S.p.A. (“**MTA**”), Holding of the UniCredit Bank Group, enrolled at the Bank Groups Register (*Albo dei Gruppi Bancari*) cod. 2008.1;
- (ii) **Manzoni S.r.l.**, with registered office in Milan, Viale Bianca Maria 25, tax code and number of registration at the Companies Register of Milan 08852240962, capital of Euro 8,285,457.00 fully paid-in, company controlled by Intesa Sanpaolo S.p.A.;
- (iii) **Intesa Sanpaolo S.p.A.**, with registered office in Turin, Piazza San Carlo 156, share capital, fully paid-in, of Euro 8,729,881,454.84, tax code and registration number at the Companies Register of Turin 00799960158, VAT number 0810700152, with shares listed on the MTA, enrolled at the Bank Groups Register (*Albo dei Gruppi Bancari*) at n. 5361 and Holding of the Intesa Sanpaolo Bank Group; and
- (iv) **Nuove Partecipazioni S.p.A.**, with registered office in Milan, Piazza Borromeo n. 12, share capital, fully paid-in, of Euro 249,314,516.00, tax code, VAT number and registration number at the Companies Register of Milan 08264530968, indirectly controlled by Mr. Marco Tronchetti Provera through Marco Tronchetti Provera & C. S.p.A..

ISP executes the new Coinv Shareholders Agreement in its capacity as shareholder having sole control over Manzoni and, therefore, as jointly liable with Manzoni for the performance by the latter of all the obligations of the latter under the new Coinv Shareholders Agreement.

Percentages and number of financial instruments object of the Shareholders Agreement.

The following are object of the Coinv Shareholder Agreement:

With respect to Coinv, the participation representing 100% of the share capital of Coinv, which is held as follows:

Coinv Shareholders	Percentage of participation in Coinv
NP	76%
Manzoni	12%
UC	12%

Total	100%
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Pursuant to the Deed of Adherence ISP acknowledges and accepts that it is a resolutive condition of the transfer to Manzoni of the participation in Coinv – performed by means of a deed of contribution entered into on 24 March 2015 between ISP and Manzoni (the “**Contribution**”) pursuant to which, with effect on the same date, ISP has contributed to Manzoni, among other participations, the participation in Coinv – that Manzoni continues to be an Affiliate (as defined in the First Coinv Shareholders Agreement) of ISP after the Contribution, provided that ISP shall remain jointly and severally liable with Manzoni for the obligations arising out of the First Coinv Shareholders Agreement and the Coinv Restatement.

With respect to Camfin, until completion of the Restructuring of the CF Stake, the participation of 50% held by Coinv. Following completion of the Restructuring of the CF Stake, the participation of Coinv equal to 100% of the share capital of CF.

The shares syndicated to the Shareholders Agreement are represented by (a) the see-through participation held in Pirelli through the corporate chain composed of CF, which, from the date of completion of the Restructuring of the CF Stake and as a result of the possible subscription by CF of the Additional Capital Increase may vary from 22.4% to 37.3% of the share capital of Newco (i.e., Marco Polo International Italy S.p.A.), which in turn owns indirectly (through Bidco, i.e., Marco Polo Industrial Holding S.p.A.), as at November 6, 2015, all the ordinary shares of the company, save for no. 351,590 treasury shares still held by Pirelli. As for the participation held in Pirelli by Cam 2012 S.p.A. (100% controlled by CF), which is equal to 3.08% of the voting share capital of Pirelli (taking into account the transfers of a portion of the exchange shares perfected in the meantime in accordance with the conditions of the convertible bond issued by Cam 2012 on October 26, 2012 and named “€150,000,000 5.625 per cent. Guaranteed Exchangeable Bonds due 2017 guaranteed by Camfin S.p.A.”), the same has been transferred to Bidco, on October 12, 2015, at the same price of the Offer.

With respect to Prelios, the participation held by Coinv in Prelios, equal to 8.111% of the relevant voting share capital.

CONTENT OF THE SHAREHOLDER AGREEMENT

Governance of Coinv

General rules of governance.

The governance of Coinv shall be in line with the provisions set forth in the Coinv Shareholders Agreement, which have been also reflected, to the maximum extent possible, in the corporate by-laws.

Corporate purpose.

The corporate purpose of Coinv shall consist exclusively: (i) in the holding and progressive and prompt divestment of the assets and liabilities other than the participation in CF (the “**Other Assets and Liabilities**”) and (ii) in the holding, management and subsequent divestment of the participation in CF (the “**CF Stake**”), which, after the divestment of the Other Assets and Liabilities, shall be the only asset of Coinv and, indirectly, of the Pirelli Shares. Coinv shall not carry out any activity or transaction or perform any act, other than those strictly necessary to and aimed at, the holding and progressive and prompt divestment of the Other Assets and Liabilities and the holding, management and following divestment of the CF Stake.

Board of directors of Coinv.

The Board of Directors of Newco shall be composed of 6 (six) directors appointed as follows:

- (i) NP shall be entitled to appoint 4 (four) directors, including the chairman and chief executive officer of Coinv; and
- (ii) Manzoni and UC (jointly, the “**Banks**”) shall be entitled to appoint 1 (one) director each.

The board of directors of Coinv shall be appointed on the basis of slates presented by NP and the Banks to ensure that the composition of the board is in line with the provisions under points (i) and (ii) above. The members of the board of directors of Coinv, including the chairman, shall not receive any remuneration for

their office, save for the reimbursement of any reasonable expense incurred in the performance of their duties.

Board of Statutory Auditors of Coinv.

The board of statutory auditors, which shall carry out also the legal audit (*revisione legale dei conti*), shall be composed of 3 (three) effective auditors and 2 (two) alternate auditors, appointed as follows:

- (a) NP shall be entitled to appoint 2 (two) effective auditors and 1 (one) alternate auditor; and
- (b) the Banks shall be entitled to jointly appoint 1 (one) effective auditor, who shall be Chairman of the board of statutory auditors, and 1 (one) alternate auditor.

The board of statutory auditors of Coinv shall be appointed on the basis of slates presented by NP and the Banks to ensure that the composition of the board is in line with the provisions under points (i) and (ii) above.

Powers and resolutions of the competent corporate bodies of Coinv.

The Parties have undertaken to procure that Coinv carries out exclusively the activities, transactions and acts strictly necessary for the achievement of the corporate purpose, with the exclusion, therefore, of any other activity, act or transaction which may cause Coinv itself to incur costs, expenses, advisory costs in any event exceeding Euro 10.000, unless otherwise unanimously decided.

1. The shareholders meeting of Coinv (**a**) if extraordinary, is validly held with the presence of, and resolve with the favorable vote of, a number of shareholders representing at least 95% (ninety-five per cent) of the voting corporate capital; (**b**) if ordinary, is validly held with the presence of, and resolve with the favorable vote of, a number of shareholders representing at least 95% (ninety-five per cent) of the voting corporate capital with respect to the decisions concerning the remuneration of directors and statutory auditors, including those vested with special offices, as well as the purchase of treasury stock. In all other cases (including the approval of the annual financial statements), the ordinary shareholders meeting of Coinv is validly held and resolves with the majorities provided by law.

2. The resolutions of the board of directors concerning the matters listed below are reserved to the competence of the board of directors of Coinv, and therefore, save as provided under (iii), cannot be delegated and are validly adopted with the presence and the favorable vote of all directors in office, save for any act of disposal of the shareholding of CF in Newco or, as the case may be, Pirelli as a result of the exercise by Coinv (through CF), as the case may be, (i) of the "Put Option" under Article 7.1 of the CC Shareholders Agreement or (ii) of the right to request the "Newco Demerger" under Article 7.2 of the CC Shareholders Agreement (the rights under points (i) and (ii) above, the "**Exit Rights**") in relation to which the board of directors is validly held and validly resolves with the majority of the directors in office, without prejudice in any event to the provisions under points (ix) and (x) below:

- (i) save for resolutions on the Exit Rights, any acquisition, assignment, transfer or any other act of disposal, in whole or in part, in any form and at any title (including, without limitation, the creation of rights in rem or encumbrances of any type), concerning the CF Stake and/or any shareholding held by CF (including treasury shares) and/or any transaction (in any form and at any title) regarding, directly or indirectly, the CF Stake and/or any shareholding held by CF (including treasury shares) or which concerns or may concern, directly or indirectly, the transfer (also partial) of the CF Stake and/or any shareholding held by CF (including treasury shares) or the performance of acts of disposal of any nature (also through the granting of rights to third parties or the creation of burdens or encumbrances), as well as the execution of any agreement, contract or undertaking concerning the CF Stake and/or any shareholding held by CF (including treasury shares), including the execution of agreements or contracts, also not binding, the granting of mandates (also of explorative nature) and the appointment of counsels or advisors, as well as the beginning of negotiations in relation to the above;
- (ii) any acquisition, assignment, transfer or any other act of disposal, in whole or in part, in any form and at any title (including, without limitation, the creation of rights in rem or encumbrances of any type), concerning movable or immovable assets (other than the CF Stake and other financial instruments to which point (iii) below applies), by the Company for a value exceeding Euro 10,000 per single transaction or series of transactions connected among them;
- (iii) any act concerning the participation in Prelios S.p.A. or the winding-up and/or dismissal (in whole or in part and as a result of any act or fact) of the Other Assets and Liabilities, provided that the board

of directors shall be entitled, with unanimous decision, to delegate in whole or in part the decisions concerning such acts;

- (iv) any transaction carried out by the Company (in any form and at any title) which imposes, following the same, the launch of a mandatory Tender Offer over Pirelli, as well as any decision concerning such Tender Offer;
- (v) the assumption, by the Company, of any financial debt, in any form and for whatever purpose (including, without limitation, through restructuring of the existing debt, execution of new financings or issuance of debt instruments or securities), as well as the granting of any personal or in rem guarantee, or obligations to indemnify or keep harmless, save for the provisions set forth in the agreements regarding the financing agreement and related security package executed on August 5, 2015, between Camfin, as borrower, and a pool of financing banks (the “**CF Financing**”) and the financing agreement and related security package executed on August 5, 2015, between CAM 2012 S.p.A., as borrower, Camfin, as guarantor, and a pool of financing banks;
- (vi) determination and amendments to the remuneration of the members of the board of directors of the Company and/or vested with special offices;
- (vii) execution of any agreement with a value exceeding – or which results in undertakings exceeding – Euro 10,000 per single transaction or series of transactions connected among them;
- (viii) exercise of the voting rights in the extraordinary shareholders meetings of CF concerning increases and decreases of the share capital of CF to the extent they are not required by law and/or necessary for the purposes of refinancing;
- (ix) exercise of the voting rights by the directors designated by Coinv in the board of directors of CF in relation to the decision of CF not to renew the CC Shareholders Agreement at the expiry of the initial term of 3 (three) years pursuant to Article 8.1 of the CC Shareholders Agreement, or to terminate it by mutual agreement before the expiry of the terms for the exercise by CF (i) of the “Put Option” under Article 7.1 of the CC Shareholders Agreement or (ii) of the right to request the “Newco Demerger” (*scissione di Newco*) under Article 7.2 of the CC Shareholders Agreement, it being in any case agreed and understood that in the absence of the decision by the board of directors of CF not to renew the CC Shareholders Agreement at the expiry of the initial term of 3 (three) years pursuant to Article 8.1 of the CC Shareholders Agreement, or to terminate it by mutual agreement before the expiry of the terms for the exercise by CF of any of the above rights, NP undertakes to procure that CF renews the CC Shareholders Agreement or does not terminate it by mutual agreement;
- (x) exercise of the voting rights by the directors designated by Coinv in the board of directors of CF in relation to the decision of CF to send to LTI a “CF Communication” pursuant to Article 4.1, paragraph (b), of the Coinv / LTI Shareholders Agreement and, for the effect, to purchase from LTI and LTI Ita the entire participation held by the same in LTI Newco, in accordance with the provisions of the CC Shareholders Agreement; and
- (xi) exercise of the voting rights by the directors designated by Coinv in the board of directors of CF in relation to the decision of CF to cancel, extinguish or in any case amend (i) the “Put Option” under Article 7.1 of the CC Shareholders Agreement or (ii) the right to request the “Newco Demerger” under Article 7.2 of the CC Shareholders Agreement or to vote in favor of any other amendment to the CC Shareholders Agreement which may affect, directly or indirectly, the right of the Banks;

while in all other cases (including the approval of the annual financial statements and, as the case may be, of the budget, without prejudice in any event to the limitations provided above from (i) to (ix)), the board of directors is duly constituted and resolves with the majorities of the directors in office.

In the event that the board of directors of Coinv passes the resolutions under points (i), (iv), (v), (ix), (x) and (xi) above, the Parties undertake to procure that, in relation to the above matters, the directors designated by Coinv in the board of directors of CF comply with the resolutions adopted by the board of directors of Coinv pursuant to the above.

The Parties agree to approve as of now, and undertake to procure that the competent corporate bodies of Coinv and CF approve, any and all corporate steps and transactions necessary for the completion (i) of the Restructuring of the CF Stake (ii) of the Initial Acquisition e (iii) of the Offer, on the terms and conditions of the CF Restatement, the SPA and Co-Investment Agreement and the CC Shareholders Agreement.

(4) The Parties agree that Coinv or, as the case may be, CF shall be entitled not to exercise, as the case may be, (i) the “Put Option” pursuant to Article 7.1 of the CC Shareholders Agreement or (ii) the right to request the “Newco Demerger” pursuant to Article 7.2 of the CC Shareholders Agreement if in the meantime the CF Financing has been entirely reimbursed in accordance with the terms and conditions thereof.

(5) The Parties agree that, should the investors to be selected by Coinv as purchasers of the “Disposable Newco Stake” of CNCR pursuant to Article 5.4 of the CC Shareholders Agreement be banks or financial institutions, the latter shall be subject to the prior approval (*gradimento*) of the Banks, approval (*gradimento*) which shall not be unreasonably denied.

Governance of CF.

Until completion of the Restructuring of the CF Stake, the governance principles and rules of the First CF Shareholders Agreement shall continue to apply and, for the effect, the Banks shall be entitled to jointly designate one director and the effective auditor of the Board of Statutory Auditors of CF which, pursuant to the First CF Shareholders Agreement, must be designated by Coinv. Starting from the date of completion of the Restructuring of the CF Stake (i) the composition of the board of directors and of the board of statutory auditors of CF shall mirror exactly that of Coinv as described in the paragraphs above and (ii) the resolutions of the corporate bodies of CF shall be validly adopted in accordance with the principles and rules described above.

Provisions on the transfer of the shareholdings in Newco – Exit Procedures

Lock-up.

The Parties have agreed on a lock-up period with respect to any transfer of their participations in Coinv of five years from the date of completion of the Offer, meaning the date of payment to the shareholders who have adhered to the Offer of the relevant price, calculated taking into account the possible postponement of the same as a result of the opening of the “sell out” and “squeeze out” procedures under articles 108 and 111 of the TUF (the “**Lock-up Period**”), with the exception of the creation of any pledge or the granting of any other collateral security over the participation held by Coinv in Camfin in relation to the agreements regarding the CF Financing in accordance with the provisions of the by-laws of Camfin. Shall be in any case permitted the transfers of shares of Newco in favor of companies controlling or controlled by the Parties, provided that such transfers provide for adequate protection mechanism for the event that the control relationship ceases.

Right of first refusal of NP.

If one of the Banks wishes to proceed to a transfer, following the expiry of the Lock-up Period, in favor of a third party or another shareholder, it shall be required to offer the sale shares, at the same terms and conditions, to NP which shall have the right to acquire all (and no less than all) the sale shares.

Tag-along right.

After the Lock-up, if NP procures or receives the offer of a bona fide independent third party purchaser (the “**Offeror**”) for the purchase of part or all the shareholding held by NP in Newco, it shall inform the Banks and each of the Banks shall have the right (but not the obligation) to request that NP procures that the Offeror purchases, in addition to the Shareholding of NP, all (and no less than all) the shareholdings held by the Banks in Newco.

Put Option in favor of the Banks.

In case the conditions are met for the exercise by CF (i) of the “Put Option” under Article 7.1(i) or 7.1(ii) of the CC Shareholders Agreement, in whole or in part, or (ii) of the right to request the “Newco Demerger” under Article 7.2 of the CC Shareholders Agreement (the rights under points (i) and (ii) above, the “**Right to Exit**”), NP shall be entitled to deliver to the Banks and to the Board of Directors of Coinv, within one month from the date the above-mentioned conditions for the exercise of the Right to Exit are met (the “**Notice Period**”), a written notice (the “**Notice**”) whereby NP informs the Banks as to whether it intends to activate the Rights to Exit through exercise of the above-mentioned “Put Option” or of the right to request the above-mentioned “Newco Demerger”. In the event that (i) at the expiry of the Notice Period, NP has not sent the Notice, or (ii) in the Notice, NP has represented its intention not to exercise the Right to Exit, then each of the Banks shall have the right to sell to NP, and NP shall have the obligation to purchase, the participation held by the same in Coinv (each sale right, the “**Put Option**”), to be exercised on the following terms:

- (i) each Bank shall be entitled to exercise its Put Option with respect to its entire participation in Coinv, in one solution, for a term of 6 (six) months from the receipt of the Notice or, in the absence of the same, from the expiry of the Notice Period (the “**Put Exercise Period**”);
- (ii) the Put Option may be exercised with notice to the other Party (the “**Exercise Notice**”); the Exercise Notice regarding the Put Option shall have the effect to have a sale and purchase agreement entered into between NP and the relevant Bank it being understood that the transfer of the ownership of the participation of the Bank to NP and the simultaneous payment of the purchase price shall take place within a term to be agreed upon subsequent to the completion of the demerger under point (iii) below or, in the event that Coinv does not have, in whole or also in part, Other Assets and Liabilities within a term to be agreed upon subsequent to the receipt of the relevant Exercise Notice;
- (iii) in the event that Coinv still owns the Other Assets and Liabilities, with the submission of the Exercise Notice each Party shall be entitled to request and obtain the proportional demerger of Coinv, with the attribution to each party of the respective, proportional portion of the Other Assets and Liabilities and of the relevant indebtedness of Coinv, to be completed within a reasonably short period of time, but in any event by and no later than the term of 6 (six) months from the beginning of such procedure or, if the transaction is subject to any authorization by law or contract, by and no later than the term of 6 (six) months from the obtainment of such authorizations;
- (iv) the purchase price for the transfer of the participation shall be equal to:
 - in the event that, at the time of exercise of the Put Option, Pirelli is de-listed: the amount resulting from the algebraic sum of the pro-quota of (i) the exercise price of the “Put Option” under Article 7.1(i) or 7.1(ii) of the CC Shareholders Agreement, (ii) the market value of the other assets of Coinv and CF, which is equal, for assets other than shareholdings in listed companies, to the value recorded in the last financial statements or balance sheet duly approved by the respective companies before the Exercise Notice or, for shareholdings in listed companies, to the amount obtained by multiplying the number of shares held and the weighted average price per share recorded in the 30 (thirty) trading days before the Exercise Notice, all the above increased or decreased, as the case may be, of the dividends, distributions / cash payments (if and when such items are not already included under point (iii) below) and of the financial revenues relating to the period between the reference date of the above financial statements (or balance sheet) and the date of the Exercise Notice, and (iii) the indebtedness and other liabilities of Coinv and CF, as recorded in the last financial statements or balance sheet duly approved by the respective companies, increased of the financial charges relating to the period between the reference date of the above financial statements (or balance sheet) and the date of the Exercise Notice, and decreased of any possible reimbursement of the debt occurred between the reference date of the above financial statements (or balance sheet) and the date of the Exercise Notice; and
 - in the event that, at the time of exercise of the Put Option, Pirelli is listed: the amount resulting from the algebraic sum of the pro-quota of (i) the market value of the Pirelli shares indirectly held (to be calculated with reference to the arithmetic mean of the closing prices in the 6 (six) months before the submission of the Exercise Notice) and of the other assets of Coinv and CF, calculated pursuant to point (ii) of paragraph (iv) above, e (ii) the indebtedness and other liabilities of Coinv and CF, calculated pursuant to point (iii) of paragraph (iv) above.

Call Option in favor of NP.

If the conditions for the exercise by the Banks of the Put Option are met, within 6 (six) months from the expiry of the Put Exercise Period, NP shall have the right to purchase from each Bank the participation held by the same in Coinv (the “**Call Option**”). The consideration for the transfer to NP of the participation held by each of the Banks in Coinv shall be equal to the amount resulting from the algebraic sum of the pro-quota of (i) the “CNRC Call Exercise Price” under Article 7.3(iii) of the CC Shareholders Agreement (without applying the cap of 110% of “Put Option Price” provided therein), (ii) the market value of the other assets of Coinv and CF and (iii) the indebtedness and other liabilities of Coinv and CF.

Anti-embarrassment.

In the event that, within 12 (twelve) months from the date of completion of the transfer by a Bank in favor of NP of its participation (the “**Relevant Participation**”) as a result of the exercise of the Put Option by such Bank and/or of the Call Option by NP, and

- (a) NP has transferred to a third party all or part of its participation in Coinv; or

- (b) CNRC has exercised the “CNRC Call Option” under Article 7.3 of the CC Shareholders Agreement vis-à-vis one of the “Class B Shareholders” of Newco after the exercise of the Put Option by each of the Banks; or
- (c) any other Transfer, direct or indirect, of the participations in Camfin, Newco, Holdco, Bidco or Pirelli has occurred; or
- (d) the shares of Newco, Holdco, Bidco or Pirelli have been relisted through an “initial public offer - IPO”; or
- (e) a contribution in kind of the shares of Pirelli and/or Newco and/or Holdco and/or Bidco has been made;
- (f) a merger between Pirelli (or Newco or Holdco or Bidco) and a third company has been completed; or
- (g) any agreement to do any of the foregoing has been entered into;

NP shall pay to such Bank an additional amount equal to the positive difference between (x) the consideration that the Bank would have received following the exercise of the Put Option or as a result of the exercise of the Call Option applying to the sale of its participation the higher price per share and (y) the price per share actually paid to the Bank for the sale of its participation, multiplied by the number of shares transferred.

Dissolution and winding-up of CF.

In the event that – after (a) the exercise by CF of the “Put Option” under Article 7.1(i) or 7.1(ii) of the CC Shareholders Agreement or (b) the exercise by CNRC of the “Call Option” under Article 7.3 of the CC Shareholders Agreement or (c) the exercise by CF of the right to request the “Newco Demerger” under Article 7.2 of the CC Shareholders Agreement – CF receives a payment in cash and/or, as the case may be, shares of Target, in accordance with the terms and conditions of the CC Shareholders Agreement, NP and each of the Banks shall have the right to request Coinv to send (and all the Parties undertake in such case to procure that Coinv sends, without any exception) to CF, as the case may be, the so-called “Dissolution Notice” or the so-called “Demerger Notice”, on the terms and modalities set forth in the by-laws of CF, thereby beginning, as the case may be, the dissolution and winding-up of CF or the demerger of CF, to be completed according to the principles indicated in the Shareholder Agreement over CF and in the CF by-laws.

Divestment from Coinv.

(a) In the event that, following (a) the exercise by CF of the “Put Option” under Article 7.1(i) or 7.1(ii) of the CC Shareholders Agreement or (b) the exercise by CNRC of the “Call Option” under Article 7.3 of the CC Shareholders Agreement or (c) any other “liquidity event”, Coinv receives proceeds in cash in lieu of/as consideration for the participation in Newco, for a period of 2 (two) months from the payment received, each Party shall be entitled to send a communication to the company whereby it requests the dissolution of the same (the “**Dissolution Notice**”). The submission by NP or any of the Banks of the Dissolution Notice represents a ground for dissolution pursuant to article 2484, paragraph 1, n. 7, of the Civil Code.

(b) To the contrary, in the event that, following the exercise of the right to request the “Newco Demerger” under Article 7.2 of the CC Shareholders Agreement or the re-listing process under Article 6.1 of the CC Shareholders Agreement, pursuant to which Coinv receives a pro-quota of Target Shares and of the indebtedness of Newco, if any, each Parte shall be entitled to request and obtain the non-proportional demerger of Coinv, with the attribution to each Party (or a wholly-owned subsidiary of the same) of the respective, proportional portion of Target Shares of the of indebtedness of Coinv and/or of CF (the “**Demerger Procedure**”). In such case, the Parties shall implement, adopt and vote, and shall cause the directors designated by the same in Coinv to implement, adopt and vote, any and all measures, documents and resolutions necessary to the completion of the Demerger Procedure within a reasonably short period of time, but in any event by and no later than the term of 6 (six) months from the beginning of such procedure or, if the transaction is subject to any authorization by law or contract, by and no later than the term of 6 (six) months from the obtainment of such authorizations.

TERM AND EFFECTIVENESS OF THE SHAREHOLDERS AGREEMENT

The Shareholders Agreement has been executed on August 11, 2015 and shall remain valid and effective until the fifth (5th) anniversary of such date and at such date it will be automatically renewed for a further period of two years (the initial term and the possible additional term, collectively the “**Term**”), unless either Party notifies in writing the other Parties of its intention not to renew the Shareholders Agreement at least 4 (four) months before the expiry of the relevant Term.

CONTROL

There is no person having the right, through this Shareholders Agreement, to exercise control over Pirelli or Prelios.

TYPE OF AGREEMENT

The provisions of the Shareholders Agreement relevant for the purposes of art. 122 of Legislative Decree February 24, 1998, n. 58 (“**TUF**”) are relevant for the purposes of art. 122, paragraphs 1 and 5, of the TUF.

BODIES OF THE AGREEMENT

Not provided.

LIQUIDATED DAMAGES IN CASE OF BREACH OF OBLIGATIONS

No liquidated damages are provided for the breach of the obligations under the Shareholders Agreement.

OFFICE OF THE COMPANIES REGISTER

The Shareholders Agreement has been filed within the terms provided by law with the Companies Register of Milan on August 12, 2015.

Milan, November 6, 2015