



Pirelli & C. S.p.A.

Notarised statement on the Board of
Directors' resolution
(15 December 2020)

STUDIO NOTARILE MARCHETTI
Via Agnello n. 18
20121 - Milan - Tel. 02 72021846 r.a.

No. 10948 of rep.

No. 5809 of collection

Notarised statement on the Board of Directors' resolution

REPUBLIC OF ITALY

The year 2020 (two thousand and twenty),
the day 15th (fifteenth)
of the month of December
at 6 p.m.

in Milan, Viale Piero e Alberto Pirelli no. 25.

Before me Dr. Andrea De Costa, notary in Milan, member of the Board of Notaries of Milan appears Mr:

Giovanni Luigi Maria Tronchetti Provera, born in Milan on 27 August 1983, domiciled for his office in Milan, Viale Piero e Alberto Pirelli no. 25, who declares he is a party to this deed as member of the Board of Directors of the listed company named:

"Pirelli & C. S.p.A."

with registered offices in Milan, Viale Piero e Alberto Pirelli no. 25, share capital Euro 1,904,374,935.66, fully paid in, tax code and registration number with the Companies' Register Milan-Monza-Brianza-Lodi Chamber of Commerce no. 00860340157, registered in the R.E.A. (Economic, Administrative Index) of Milan under no. 1055 (hereinafter also: the "**Company**" or "**Pirelli**"),

provided with the powers needed through, and in mere execution, of the resolution adopted by the Board of Directors of the Company on 14 (fourteen) December 2020 (two thousand and twenty), pursuant to the minutes of the same date no. 15.921 of rep. and no. 8.554 of collection Notary Carlo Marchetti of Milan, being registered and recorded with the competent Chamber of Commerce.

Hence that party appearing of whose identity I, Notary, am certain,

whereas

A) through resolution adopted by the Board of Directors of the Company on 14 (fourteen) December 2020 (two thousand and twenty), pursuant to the minutes of the same date no. 15.921 of rep. and no. 8.554 of collection Notary Carlo Marchetti of Milan, being registered and recorded, the Board of Directors of the Company resolved, pursuant to Article 2410 of the Italian Civil Code and Article 6 of the By-laws in force - which expressly attributes the responsibility to resolve on issuing bonds to the Board of Directors - to attribute, amongst others, to Giovanni Tronchetti Provera, with the possibility to sub-delegate to third parties (also outside the Company) also pursuant to Articles 1394 and 1395 of the Italian Civil Code, the power to launch the bookbuilding activity of the transaction, implementing what was decided by that same Board meeting, in the manner and timing considered consistent and appropriate by them in the interest of the Company, by 17 (seventeen) December 2020 (two thousand and twenty), and therefore, issue a debenture loan, so-called equity-linked guaranteed by Pirelli

Tyre S.p.A., governed by English law, except for aspects which are mandatory governed by Italian law (the "**Equity-Linked Bond**" or "**Bond**"), in the form of registered securities governed by the law regulating the issue (so-called registered bonds) (the "**Bonds**"), with a duration not exceeding 5 (five) years and for a principal amount of maximum Euro 500 (five hundred) million, with possible conversion into shares of "Pirelli & C. S.p.A.", based on the pre-set conversion ratio, and subordinate, inter alia, to extraordinary Shareholders' Meeting resolution approving the share capital increase to the service of the Bond, excluding the shareholders' pre-emption rights pursuant to Article 2441, fifth paragraph Italian Civil Code (the "**Capital Increase**"), deciding final terms and conditions, also contractual, of the Bond (the "**Conditions of the Bond**") in the light of market conditions and the subscription offers received in the context of the collection process and however consistent with what is indicated in the aforementioned Company's Board of Directors' resolution of 14 December 2020, pursuant to the aforementioned minutes and without prejudice to the basic characteristics indicated therein.

Given the above

and considered an integral part of this deed

The Appearing Party, as Director of the Board of Directors of the Company, to complete the transaction issuing a bond decided by the Board of Directors on 14 December 2020 (through the oft mentioned resolution) and with no prejudice to registration of the resolution pursuant to Article 2436 of the Italian Civil Code as recalled by Article 2410 of the Italian Civil Code and delegated for that purpose with the same resolution of 14 December 2020, based on the results of the bookbuilding activities and agreements with the financial institutions appointed for that purpose

establishes

1.) (a) the principal amount of the issue as Euro 500 (five hundred) million, (b) the non-interest-bearing nature of the Bond and (c) the initial conversion price of Euro 6,235 (six point two hundred and thirty five) per share.

Therefore the Bond as resolved by the Board of Directors in the oft mentioned meeting of 14 December 2020 pursuant to the aforementioned minutes and completed by the decision taken today by the Director Giovanni Tronchetti Provera, delegated for that purpose by the Board of Directors in the said resolution of 14 December 2020, without prejudice to the necessary registration of the resolution pursuant to Article 2436 of the Italian Civil Code as recalled by Article 2410 of the Italian Civil Code will have, inter alia, the characteristics briefly summed up below:

- total principal amount of the issue: Euro 500 (five hundred) million;
- currency: Euro;
- minimum denomination of securities: Euro 100,000.00 (one hundred thousand point zero zero);
- duration: 5 (five) years from date of issue;
- issue price: parts at 100% (hundred per cent) of the principal amount of the Bond;
- interest rate: not interest-bearing;
- guarantees: guaranteed initially by Pirelli Tyre S.p.A.. The Conditions of

the Bond also provide, under the occurrence of certain conditions, the termination of this guarantee by Pirelli Tyre S.p.A.. The Conditions of the Bond also include so-called negative pledge clauses, according to which the Issuer and the Guarantor are prohibited from setting up, directly or through their subsidiaries relevant (as identified in the Conditions of the Bond) security interests (other than permitted security interest as identified in the Conditions of the Bond) on further indebtedness, other than intercompany indebtedness represented by securities, without: (i) such security interest being previously or concurrently pledged or extended as security for the Bonds; or (ii) different security interests or personal guarantees are created or additional protections are put in place that are deemed by the party appointed to act as trustee, in its sole discretion, to be substantially analogous to the security interest created in favour of such further indebtedness;

- possible conversion: only if the Capital Increase is approved by the extraordinary Shareholders' Meeting by 30 (thirty) June 2021 (two thousand and twenty one) (so-called Long-Stop Date) and in accordance with the terms set out in the Conditions of the Bond;
- initial conversion price: Euro 6,235 (six point two hundred and thirty five) per share, subject to adjustments in accordance with the Conditions of the Bond;
- no conversion: if the Capital Increase should not be approved by the Company's Shareholders' Meeting by 30 June 2021 (so-called Long-Stop Date), and except for the case where the Company should exercise the so-called fair market call described below, the Bond will continue and any conversions will be settled in cash in the basis of the value attributed to the shares underlying each Bond, as better specified in the Conditions of the Bond;
- fair market call: if the Capital Increase should not be approved by the Company's Shareholders' Meeting by the Long Stop Date, the Company has the right to proceed within a certain period of time to full early redemption of the Bond, in cash, for an amount equal to the greater of the following (i) 101% (one hundred and one percent) of the principal amount of the Bond and (ii) 101% (one hundred and one percent) of the fair market value of the Bonds, calculated by an independent entity based on the average of Bond prices in the five open market days following the communication of early redemption, in accordance with the Conditions of the Bond;
- redemption: on maturity, the principal must be redeemed in a single tranche for an amount equal to 100% (one hundred percent) of the principal value, if the Bonds have not been converted or redeemed in advance in accordance with the Conditions of the Bond;
- early redemption: the Company has the right to early and full redeem the Bond in defined hypotheses, complying with the market practice of issuer's soft call, clean-up call or tax call, possibly starting from a certain date;
- change of control and free float event: in a period of time identified in the Conditions of the Bond, each investor will be granted at his or her choice, upon the occurrence of qualified change of control events of the Company (so-called "change of control") or in the event that the free float of the

Company's ordinary shares (calculated in accordance with the Conditions of the Bond) falls below a certain threshold and remains there for a certain number of open market days from the first day on which it fell below that threshold (so-called free float event), alternatively (i) the right to request the redemption of the Bonds at principal value, plus any interest accrued (if applicable) by exercising a put option or (ii) the recognition of a new conversion price (if applicable even regulated based on the so-called cash settlement amount mechanism), lower than the original one and based period between the event and the maturity of the Bonds, all based on terms and conditions set out in the Conditions of the Bond;

- placement procedures: reserved for qualified Italian and foreign investors, outside the United States of America pursuant to Regulation S of the 1933 Securities Act, therefore excluding any placement with the indistinct public, including Italy. The Bond has also been offered in Canada only with the categories of institutional investors and in the provinces permitted by applicable law;
- listing: the Bond will be listed on the Vienna MTF, multilateral trading facility managed by the Vienna Stock Exchange, or on a different regulated market or on another internationally approved multilateral trading facility, identified by the Company following the issue, within 90 (ninety) days from the date of issue of the Bonds;
- applicable law: English law, except for the application of the mandatory provisions under Italian law;

all based on terms and conditions specified in the Conditions of the Bond.

The Appearing Party acknowledges that the bonds have been assigned the Code ISIN XS2276552598.

at 6.15 p.m.

I

have read this document to the appearing party who approves it and signs it with me at 6.15 p.m.

It consists

of three sheets typed by a person I trust and completed by my own hand for nine pages and the tenth up until here.

Signed Giovanni Luigi Maria Tronchetti Provera

Signed Notary Andrea De Costa

Copy on digital support compliant with the original document on paper pursuant to art. 22, Legislative Decree no.82 of 7 March 2005, in the deadline for the Chamber of Commerce of Milan-Monza- Brianza-Lodi
Signed Andrea De Costa
Milan, 16 December 2020
Stamp duty paid using the virtual system
Authorisation No. 108375/2017 of 28.07.2017