

## **Remuneration Statement for 2012**

### **1. Principles**

The Remuneration statement for 2012 illustrates the remuneration Policy applied by the Pirelli Group in 2012 and presents a final accounting of remuneration as broken down by the different types of beneficiaries, without prejudice to the disclosure obligations imposed by other applicable provisions of law or regulation, highlighting the consistency with the company remuneration policy approved during the previous financial year.

### **2. The Table: Compensation paid to members of the Board of Directors and Board of Statutory Auditors, the General Managers and other Managers with strategic responsibilities.**

The tables below indicate the names and the remuneration paid to the Directors, to the Auditors and to the General Manager (remembering in this regard that on May 10, 2012 Mr. Francesco Gori resigned as the General Manager of Pirelli & C. and the Chief Executive Officer and General Manager of Pirelli Tyre) and paid to the other Directors with strategic responsibilities in an aggregate form (however, the tables included in the final part of this Statement indicate the names and the remuneration paid to the Managers with strategic responsibilities, even though there is no requirement to provide this information).

The compensation is indicated in accordance with a competence criterion and the notes to the tables clarify the office held for which the compensation is received (for example, when a Director participates on numerous Board Committees) and the subsidiary and/or associate company (except for the compensation waived or deposited with the Company).

The tables include all the persons who held the foregoing positions during the 2012 financial year, even if for a fraction of the financial year.

The non-monetary benefits, when received, are also indicated in accordance

with the competence criterion and reported in relation to the “tax liability criterion” referred to the benefit allocated.

In particular, it is important to note that:

- persons who were Directors of the Company during the 2012 financial year have accrued/received compensation (in accordance with the competence criterion) as established in accordance with the criteria set out in paragraph 6 of the 2012 Policy;
- persons who were Directors with special duties during the 2012 financial year (Chairman and Director and Deputy Chairman) accrued/received compensation (in accordance with the competence criterion) as established in accordance with the criteria set out in paragraph 6 and paragraph 7 of the 2012 Policy;
- The General Manager of Pirelli & C. (a figure no longer in office on May 10, 2012) received/accrued compensation for the position held during the 2012 financial year, in accordance with the criteria set out in paragraph 9 and paragraph 12 of the 2012 Policy, it is important to note that Pirelli and Mr. Gori entered into an agreement for the consensual termination of the relationship consistent with the principles established in paragraph 11 of the 2012 Policy and with the application criteria set out by the Company in this regard;
- Managers with strategic responsibilities have received/accrued compensation for the position held during the 2012 financial year, in accordance with the criteria set out in paragraph 9 of the 2012 Policy;
- each member of the Supervisory Body received/accrued compensation for the position held during the 2012 financial year equal to euro 25 thousand gross per year in line with the provisions set out in the 2012 Policy;
- each member of the Board of Auditors received/accrued compensation for the position held during 2012 financial year in line with the requirements established by the Shareholders' Meeting at the date of their appointment (in addition to the compensation of euro 25 thousand gross per year paid to the Statutory Auditor called upon to be a member of the Supervisory

Body).

- the Senior Managers and Executives have received/accrued compensation for the position held during the 2012 financial year, in accordance with the criteria set out in paragraph 10 of the 2012 Policy. Limited exceptions occurred at the time of operational requirements or at the time of achieving specific extraordinary targets, the Senior Advisor Human Resources has reported these exceptions to the Remuneration Committee.

Name and Surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonus and other incentives	Profit-sharing					
Marco Tronchetti Provera	Chairman and CEO	01/01/2012-31/12/2012	Shareholders' Meeting held to approve the Annual Financial Report at December 31, 2013	3.077.553,78 (1)	0,00	0,00	0,00	5.995,92	0,00	3.083.549,70	0,00	0,00
Vittorio Malacalza	Deputy Chairman	01/01/2012-31/12/2012	Shareholders' Meeting held to approve the Annual Financial Report at December 31, 2013	368.767,00 (2)	45.000,00 (3)	0,00	0,00	0,00	0,00	413.767,00	0,00	0,00
Alberto Pirelli	Deputy Chairman	01/01/2012-31/12/2012	Shareholders' Meeting held to approve the Annual Financial Report at December 31, 2013	950.509,94 (4)	0,00	0,00		1.781,88 (5)	0,00	952.291,82	0,00	0,00
Acquis Carlo	Director	01/01/2012-31/12/2012	Shareholders' Meeting held to approve the Annual Financial Report at December 31, 2013	50.000,00 (6)	25.000,00 (7)	-				75.000,00		
Anna Maria Antoni	Director	01/01/2012-31/12/2012	Shareholders' Meeting held to approve the Annual Financial Report at December 31, 2013	50.000,00 (6)	20.000,00 (8)	-				70.000,00		
Benetto Gilberto	Director	01/01/2012-31/12/2012	Shareholders' Meeting held to approve the Annual Financial Report at December 31, 2013	50.000,00 (6)	-	-				50.000,00		
Bombassei Alberto	Director	01/01/2012-31/12/2012	Shareholders' Meeting held to approve the Annual Financial Report at December 31, 2013	50.000,00 (6)	10.860,00 (9)	-				60.860,00		
Bruni Franco	Director	01/01/2012-31/12/2012	Shareholders' Meeting held to approve the Annual Financial Report at December 31, 2013	50.000,00 (6)	55.000,00 (10)	-				105.000,00		
Campiglio Luigi	Director	01/01/2012-31/12/2012	Shareholders' Meeting held to approve the Annual Financial Report at December 31, 2013	50.000,00 (6)	20.000,00 (11)	-				70.000,00		
Paolo Ferro Luzzi	Director	01/01/2012-11/11/2012	11/11/2012 (12)	43.170,00 (6)	25.900,00 (13)	-				69.070,00		
Mario Greco	Director	12/11/2012-31/12/2012	04/03/2013 (14)	6.830,00 (6) (15)	-	-				6.830,00		
Pietro Guindani	Director	01/01/2012-31/12/2012	Shareholders' Meeting held to approve the Annual Financial Report at December 31, 2013	50.000,00 (6)	20.000,00 (8)	-				70.000,00		
Ligresti Giulia Maria	Director	01/01/2012-31/12/2012	Shareholders' Meeting held to approve the Annual Financial Report at December 31, 2013	50.000,00 (6)	-	-				50.000,00		
Elisabetta Magistretti	Director	01/01/2012-31/12/2012	Shareholders' Meeting held to approve the Annual Financial Report at December 31, 2013	50.000,00 (6)	30.000,00 (9)	-				80.000,00		
Massimo Moratti	Director	01/01/2012-31/12/2012	Shareholders' Meeting held to approve the Annual Financial Report at December 31, 2013	50.000,00 (6)	-	-				50.000,00		
Renato Pagliaro	Director	01/01/2012-31/12/2012	Shareholders' Meeting held to approve the Annual Financial Report at December 31, 2013	50.000,00 (6) (15)	25.000,00 (15) (16)	-				75.000,00		
Giovanni Perissinotto	Director	01/01/2012	23/07/2012 (17)	27.595,00 (6) (15)	-	-				27.595,00		
Luigi Roth	Director	01/01/2012-31/12/2012	Shareholders' Meeting held to approve the Annual Financial Report at December 31, 2013	50.000,00 (6)	70.000,00 (18)	-				120.000,00		
Carlo Salvatori	Director	26/07/2012	Shareholders' Meeting held to approve the Annual Financial Report at December 31, 2012 (19)	21.721,00 (6)	-	-				21.721,00		
Carlo Secchi	Director	01/01/2012-31/12/2012	Shareholders' Meeting held to approve the Annual Financial Report at December 31, 2013	50.000,00 (6)	90.000,00 (20)	-				140.000,00		
Manuela Soffientini	Director	01/03/2012	Shareholders' Meeting held to approve the Annual Financial Report at December 31, 2013 (21)	41.804,00 (6)	10.860,00 (9)	-				52.664,00		
Giuseppe Vita	Director	01/03/2012	25/05/2012 (22)	11.748,00 (6)	-	-				11.748,00		
Gori Francesco	General Manager	01/01/2012	10/05/2012	882.519,46 (23)				2.260,51 (24)	278.750,00 (32)	1.163.529,97		5.900.000,00 (25)
3 Managers with strategic responsibilities				1.753.903,96 (26)	-	-		10.177,92 (27)		1.764.081,88		
Francesco Fallacara	Chairman of the Board of Auditors	10/05/2012	Shareholders' Meeting held to approve the Annual Financial Report at 31/12/2014 (28)	48.360,00	-	-				48.360,00		
Laghi Enrico	Statutory Auditor	10/05/2012	Shareholders' Meeting held to approve the Annual Financial Report at 31/12/2014 (29)	54.262,00 (30)	-	-				54.262,00		
Antonella Carù	Statutory Auditor	10/05/2012	Shareholders' Meeting held to approve the Annual Financial Report at 31/12/2014 (28)	32.240,00	16.120,00 (30)	-				48.360,00		
Gualtieri Paolo	Statutory Auditor	01/01/2012	10/05/2012 (31)	14.740,00	-	-				14.740,00		
Sfameni Paolo Domenico	Statutory Auditor	01/01/2012	10/05/2012 (31)	14.740,00	8.880,00 (30)	-				23.620,00		
(I) Compensation in company that prepares the Annual Financial Report				4.236.998,60	472.620,00			13.127,88	-	4.722.746,48	-	300.000,00
(II) Compensation from subsidiaries and associates				3.763.465,54				7.088,35	278.750	4.049.303,89	-	5.600.000,00
(III) Total				8.000.464,14	472.620,00			20.216,23	278.750	8.772.050,37	-	5.900.000,00

- 1) Of which: euro 50 thousand as Director of Pirelli & C. S.p.A.; euro 1,209,072.58 as Chairman and Chief Executive Officer of Pirelli & C. S.p.A.; euro 1,818,481.20 as Chairman of Pirelli Tyre S.p.A.;
- 2) Of which: euro 50 thousand as Director of Pirelli & C. S.p.A.; euro 300 thousand as Deputy Chairman of Pirelli & C.; euro 8,767 for payments referable to the 2011 financial year. A member of the Board of Directors of RCS Mediagroup S.p.A. up to May 2, 2012 (for which an annual gross compensation of euro 15 thousand was foreseen) and a member of the Executive Committee of RCS Mediagroup S.p.A. (for which an annual gross compensation of euro 15 thousand was foreseen), the data will be updated with the data confirmed by RCS and calculated currently at euro 10 thousand.
- 3) Of which: euro 25 thousand as member of the Strategies Committee; euro 20 thousand as member of the Nominations and Successions Committee;
- 4) Of which: euro 50 thousand as Director of Pirelli & C. S.p.A.; euro 300 thousand as Deputy Chairman of Pirelli & C. S.p.A.; euro 150 thousand as Deputy Chairman of Pirelli Tyre S.p.A.; euro 450,509.94 as Senior Manager of Pirelli Tyre S.p.A.
- 5) As Senior Manager of Pirelli Tyre S.p.A.
- 6) As Director of Pirelli & C.;
- 7) As Chairman of the Remuneration Committee;
- 8) As Member of the Remuneration Committee;
- 9) As Member of the Strategies Committee. The Director Alberto Bombasseri and the Director Manuela Soffientini were appointed as members of this Committee on July 26, 2012 (the annual fixed gross compensation for this office is equal to euro 20 thousand).
- 10) Of which euro 30 thousand as Member of the Internal Control, Risks and Corporate Governance Committee and euro 25 thousand as Member of the Strategies Committee;
- 11) As member of the Nominations and Successions Committee;
- 12) The Director Paolo Ferro-Luzzi died on November 11, 2012.
- 13) As Member of the Internal Control, Risks and Corporate Governance Committee (the annual fixed gross compensation for this office is equal to euro 30 thousand).
- 14) The Director Mario Greco was co-opted on November 12, 2012, in accordance with Article 2386 of the Italian Civil Code. The Director Greco - due to fall from office at the first Shareholders' Meeting after his appointment, in accordance with Article 2386 of the Italian Civil Code (and therefore, with the Shareholders' Meeting called to approve the Annual Financial Report at December 31, 2012); resigned on March 5, 2013.
- 15) Emoluments charged to the assigned company.
- 16) As Member of the Strategies Committee;
- 17) The Director Giovanni Perissinotto notified his resignation on July 23, 2012 and the Director Mario Greco was appointed on November 12, 2012 to substitute Giovanni Perissinotto (Mario Greco, in turn, resigned on March 5, 2013)
- 18) Of which: euro 30 thousand as Member of the Internal Control, Risks and Corporate Governance Committee; euro 20 thousand as Member of the Remuneration Committee; euro 20 thousand as member of the Nominations and Successions Committee;
- 19) The Director Carlo Salvatori was co-opted on July 26, 2012, in accordance with Article 2386 of the Italian Civil Code and due to fall from office at the first Shareholders' Meeting after his appointment, in accordance with Article 2386 of the Italian Civil Code (and therefore, with the Shareholders' Meeting called to approve the Annual Financial Report at December 31, 2012);
- 20) Of which: euro 40 thousand as Chairman of the Internal Control, Risks and Corporate Governance Committee; euro 25 thousand as member of the Strategies Committee and euro 25 thousand as member of the Supervisory Board.
- 21) The Director Manuela Soffientini was appointed by the Board of Directors on March 1, 2012, to substitute the Director Profumo, and was confirmed in office by the Shareholders' Meeting held on May 10, 2012.
- 22) The Director Giuseppe Vita was appointed by the Board of Directors on March 1, 2012 and subsequently confirmed by the Shareholders' Meeting held on May 10, 2012, and resigned on May 25, 2012.
- 23) Of which: euro 72,043.03 as Chief Executive Officer of Pirelli Tyre S.p.A. and euro 810,476.43, overall, as General Manager of Pirelli Tyre (up to May 10, 2012) and Manager of Pirelli Tyre (up to termination of the employment relationship on July 31, 2012).
- 24) As General Manager/Manager of Pirelli Tyre up to termination of the employment relationship;
- 25) Of which: (i) euro 300 thousand from Pirelli & C. S.p.A. as a settlement (ii) euro 5,600,000.00 from Pirelli Tyre, of which euro 5,300,000 as a voluntary resignation incentive and euro 300 thousand as a settlement.
- 26) Of which euro 451,954.94 from Pirelli Tyre.
- 27) Of which euro 3,045.96 from Pirelli Tyre;
- 28) Francesco Fallacaro, Chairman of the Board of Auditors and Antonella Carù, Statutory Auditor Antonella Carù were appointed by the Shareholders' Meeting on May 10, 2012.
- 29) The Auditor Enrico Laghi was appointed by the Shareholders' Meeting on May 10, 2012 - prof. Laghi held the office as Chairman of the Board of Auditors up to that date.
- 30) As member of the Supervisory Board
- 31) Prof. Paolo Gualtieri and Prof. Paolo Domenico Stancani fell from office due to completion of their term in office with the approval of the Annual Financial Report at December 31, 2011 by the Shareholders' Meeting held on May 10, 2012.
- 32) From Pirelli Tyre by way of a consideration for the non-competition undertaking. This undertaking envisages payment of euro 761,250.00, overall. This amount will actually be paid in part during the 2013 financial year and in part during the 2014 financial year.

### **3. Monetary incentive plans in favour of members of the Board of Directors, General Managers and other Managers with strategic responsibilities**

For a description of the monetary incentive plans, please refer to section 5 of the 2013 Remuneration Policy.

In March 2012, it was decided to terminate the 2011/2013 LTI Plan early, considering the launch of a “new” Business Plan for the 2012/2014 three-year period with significantly more challenging objectives compared to the already demanding objectives envisaged in the 2011/2013 Business Plan. The concurrent launch of a “new” LTI Plan (the 2012/2014 LTI Plan) was proposed linked to the objectives of the “new” Business Plan, therefore, reference to the 2011/2013 LTI Plan will be omitted below. The information disclosure document available on the Pirelli Internet website contains more detailed information concerning the application of the Total Shareholder Return objective, whereas the reader is referred to paragraph 5 of the Remuneration Policy for details of the way the 2012/2014 LTI Plan operates.

Surname and name	Office	Plan	Bonus for current year			Bonus for previous years			Other bonuses
			Payable / Paid	Deferred	Deferral period	No longer payable	Payable / Paid	Still deferred	
Marco Tronchetti Provera	Chairman and Chief Executive Officer	MBO 2012	0,00	0,00	-	-	-	-	0,00
		2012-2014 LTI Plan	0,00	0,00	-	-	-	-	0,00
Alberto Pirelli	Deputy Chairman	MBO 2012	0,00	0,00	-	-	-	-	0,00
		2012-2014 LTI Plan	0,00	0,00	-	-	-	-	0,00
Francesco Gori	General Manager	MBO 2012	0,00	0,00	-	-	-	-	0,00
		2012-2014 LTI Plan	0,00	0,00	-	-	-	-	0,00
Managers with strategic responsibilities		MBO 2012	0,00	0,00	-	-	-	-	0,00
		2012-2014 LTI Plan	0,00	0,00	-	-	-	-	0,00
(I) Compensation in company that prepares the Annual Financial Report		MBO 2012	0,00	0,00	-	-	-	-	0,00
		2012-2014 LTI Plan	0,00	0,00	-	-	-	-	0,00
(II) Compensation from subsidiaries and associates		MBO 2012	0,00	0,00	-	-	-	-	0,00
		2012-2014 LTI Plan	0,00	0,00	-	-	-	-	0,00
(III) Total			0,00	0,00	-	-	-	-	0,00

**4. The Table prepared for self-regulatory disclosure of top management compensation received/accrued during the 2012 financial year,**

The following table prepared for self-regulatory disclosure regarding Managers with strategic responsibilities shows the total emoluments accrued/received in the 2012 financial year. The reader is referred to the table shown in paragraph 2 of this Statement for the details of the compensation paid to the Chairman and Chief Executive Officer of Pirelli & C. S.p.A. and to Alberto Pirelli, Deputy Chairman of Pirelli & C. S.p.A.

Surname and name	Fixed compensation	Compensation as member of committees	Variable non equity compensation		Non monetary benefits	Other compensation	Total
			Bonus and other incentives	Profit sharing			
Francesco Chiappetta	800.929,00	0,00	0,00	0,00	5.174,40	0,00	806.103,40
Maurizio Sala	451.954,94	0,00	0,00	0,00	3.045,96	0,00	455.000,90
Francesco Tanzi	501.020,02	0,00	0,00	0,00	1.957,56	0,00	502.977,58

**5. Table containing information about the equity investments owned by members of the Board of Directors, the Board of Statutory Auditors, the General Managers and the other Managers with strategic responsibilities.**

The following table discloses any equity investments in Pirelli & C. S.p.A. and in its subsidiaries that might be held by persons who held one of the following positions even for a fraction of the financial year:

- members of the Board of Directors;
- members of the Board of Auditors;
- General Manager;
- Manager with strategic responsibilities.

In particular, the number of shares broken down by class of stock and in reference to each investee company is shown next to the name of the members of the Board of Directors, Board of Statutory Auditors and General Managers, and cumulatively for the other Managers with strategic responsibilities:

- owned at the end of the previous financial year;
- acquired during the reference year;
- sold during the reference year;
- owned at the end of the reference year.

The title, terms and conditions of ownership are also specified.

All persons who, during the reference year, were members of the Board of Directors and Board of Statutory Auditors, General Manager or Manager with strategic responsibilities for even just a fraction of a year are included.

Surname and name	Office	Investee company	No. Shares owned at 31.12.2011	No. Shares acquired/ subscribed	No. Shares sold	No. Shares owned at 31.12.2012
Tronchetti Provera Marco	Chairman and Chief Executive Officer	Pirelli & C.	1.251	----	----	1.251
		Pirelli & C. (indirect ownership)	124.500.400 (1)	----	27.831.232	96.669.168
		Pirelli & C. (indirect ownership)	----	27.831.232 (2)		27.831.232
		Pirelli & C. (indirect ownership)	110.673 (3)	----	----	110.673
Pirelli Alberto	Deputy Chairman	Pirelli & C.	131.629	----	----	131.629
Moratti Massimo	Director	Pirelli & C. (indirect ownership)	2.343.392 (4)	----	----	2.343.392
Roth Luigi	Director	Pirelli & C.	4.000 (5)	----	----	4.000
(1) Shares held through Camfin S.p.A.						
(2) Shares held through Cam 2012 S.p.A.						
(3) Shares held through Cam Partecipazioni S.p.A.						
(4) Shares held through CMC S.p.A. of which 1,838,459 registered as being held beneficially on trust to Cordusio Società fiduciaria per azioni						
(5) Shares owned by spouse						