



**Pirelli & C. S.p.A.**

## **Reports to the Meeting of 24 March 2021**

**Appointment of a member of the Board of Directors**

**(sole item on the agenda of the ordinary session)**

**Illustrative report prepared by the Directors pursuant to Article 125-ter of Legislative Decree 24 February 1998, no. 58 and subsequent amendments and additions.**

Dear Shareholders,

- on 31 July 2020, Carlo Secchi, due to a recent and unexpected concentration of new personal commitments, resigned from his role as Director of the Company, with effect from the approval of the half year financial report as at 30 June 2020, that took place during the meeting of the Board of Directors held on 5 August 2020;
- on 5 August 2020, the Board of Directors, upon a proposal by the Executive Vice Chairman and Chief Executive Officer Marco Tronchetti Provera, decided, in accordance with Article 2386 of the Italian Civil Code, with the approval of the Board of Statutory Auditors, the appointment for co-optation of the General Manager co-CEO Angelos Papadimitriou as member of the Board of Directors. On 20 January 2021, Pirelli announced the intention to proceed to the consensual resolution of the working relationship with the General Manager co-CEO. In particular, Mr. Papadimitriou shared the intention to evaluate a professional pathway with entrepreneurial elements, in line with his experience gained over the years, and expressed his willingness to continue to support Pirelli by maintaining his role of Director and member of the Strategies Committee, in which he was also appointed on 5 August 2020<sup>1</sup>.

Angelos Papadimitriou stated the absence of cause for ineligibility and incompatibility for the office and that he does not fulfil the independence requirements in accordance with Legislative Decree 58/1998 (“TUF”) and the Corporate Governance Code of Borsa Italiana<sup>2</sup>.

In co-opting the new Director, the Board of Directors in particular took into account: (i) the professional and skills profile of Angelos Papadimitriou; (ii) the number of positions held thereby in other companies or entities; and (iii) the fact that the current composition of the Board of Directors of Pirelli & C. S.p.A. (“**Pirelli**” or the “**Company**”) complies with the current regulations concerning gender balance and the presence of the independent Directors in the Board.<sup>3</sup>

In accordance with Article 2386, paragraph 1 of the Italian Civil Code, the mandate of Director of Angelos Papadimitriou expires at this Shareholders’ Meeting, which is therefore called to resolve upon the confirmation of the co-opted Director (or the appointment of a new member of the Board of Directors).

In that regard, it was noted that the Ordinary Shareholders’ Meeting, held on 18 June 2020, renewed the Pirelli Board of Directors, determining the number of members at fifteen and setting

---

<sup>1</sup> For further details, please see the Corporate Governance Report 1H 2020, available on the governance section of the Company website at [www.pirelli.com](http://www.pirelli.com).

<sup>2</sup> As well as the possession of all the additional requirements for the office, including those referred to in Article 2 D.M. 30/3/2000 n. 162, paragraph 1.

<sup>3</sup> For further details, please see the Report on Corporate Governance and Share Ownership contained in the 2019 Annual Report and the Corporate Governance Report 1H 2020, both available on the governance section of the Company website at [www.pirelli.com](http://www.pirelli.com).

the mandate thereof at three financial years, which will expire at the meeting which shall be called to resolve upon the approval of the Company financial statements as at 31 December 2022.<sup>4</sup>

The current composition of the Board of Directors reflects the current Shareholders' Agreements existing between the shareholders and the Company<sup>5</sup>, in accordance with which the Pirelli Board of Directors is expected to consist of 15 members, 8 of whom are independent.<sup>6</sup>

It should be noted that, for the purposes of adopting the decisions of the Shareholders' Meeting, the statutory procedure of the list vote does not apply, as there is no full renewal of the Board of Directors. Therefore, as provided for in Article 10 of the Bylaws, for the appointment of Directors not appointed for any reason in accordance with the list vote procedure, the Shareholders' Meeting shall vote on the basis of the majorities required by law.

It is also recalled that:

- each member of the Board of Directors receives a gross annual remuneration for the position of Euro 65 thousands, in addition to the eventual further remuneration established by the Board of Directors in the event of participation in Board Committees;<sup>7</sup>
- the new Director will expire at the same time as those currently in office, therefore on the date of the Shareholders' Meeting called to resolve upon the approval of the Company financial statements as at 31 December 2022.

## ***BOARD OF DIRECTORS DECISION PROPOSAL***

On the basis of the above, the Board of Directors proposes to you the following decision:

- **to confirm as fifteen the number of members of the Board of Directors of Pirelli & C. S.p.A. and to confirm the appointment as member of the Board of Directors of Mr. Angelos Papadimitriou, born in Athens (Greece) on 13 July 1966, who will remain in office until the date of the Shareholder's Meeting called upon to approve the Company financial statements closed on 31 December 2022.**

---

<sup>4</sup> The Company Bylaws (Article 10.1) provides as follows: *"The company shall be managed by a Board of Directors composed of up to fifteen members who shall remain in office for three financial years and may be re-elected"*.

<sup>5</sup> The Shareholders' Agreement can be accessed at the following Company web address: <https://corporate.pirelli.com/corporate/it-it/governance/patti>.

<sup>6</sup> As at the date of this Report, the Pirelli Board of Directors is composed by the following fifteen Directors: Ning Gaoning (Chairman), Marco Tronchetti Provera (Executive Vice Chairman and Chief Executive Officer), Angelos Papadimitriou, Yang Xingqiang, Bai Xiping, Tao Haisu (independent), Zhang Haitao, Paola Boromei (independent), Domenico De Sole (independent), Roberto Diacetti (independent), Giovanni Lo Storto (independent), Marisa Pappalardo (independent), Giovanni Tronchetti Provera, Fan Xiaohua (independent), Wei Yintao (independent).

<sup>7</sup> For further details on the remuneration established for participation in the Board Committees, please see the Remuneration Policy for the year 2020 contained in the Annual Report 2019 and available on the governance section of the Company website [www.pirelli.com](http://www.pirelli.com).

Shareholders are informed that the Shareholders' Meeting is called to resolve upon the decision proposal above.

The *curriculum vitae* of Director Angelos Papadimitriou is available on the Company website at [www.pirelli.com](http://www.pirelli.com).

Finally, for completeness, at the date of this report, the Director Angelos Papadimitriou is holder of n. 170,000 Pirelli shares.

**Milan, 5 February 2021**

For the Board of Directors

Executive Vice Chairman and Chief Executive Officer

Marco Tronchetti Provera