



Pirelli & C. S.p.A.

Reports to the Shareholders' Meeting of 29 June 2023

Decision on the postponement, to a subsequent Shareholders' Meeting to be called by the Board of Directors presumably by 31 July 2023, of the discussion and decisions on the items on the agenda relating to the appointment of the Board of Directors as per points 3), 4), 5) and 6) below, with the consequent extension in the medium term of the entire Board of Directors currently in office. Related and consequent resolutions.

(item 2 on the agenda)

Explanatory report drawn up by the Directors pursuant to Article 125-ter of Italian Legislative Decree no. 58 of 24 February 1998 as subsequently amended and supplemented, approved by the Board of Directors on 11 May 2023.

Dear Shareholders,

In view of the Ordinary Shareholders' Meeting of Pirelli & C. S.p.A. ("**Pirelli**" or the "**Company**") called for 29 June 2023 in a single call (the "**Shareholders' Meeting**"), to resolve on item 2 on the agenda: "**Decision on the postponement, to a subsequent Shareholders' Meeting to be called by the Board of Directors presumably by 31 July 2023, of the discussion and decisions on the items on the agenda relating to the appointment of the Board of Directors as per points 3), 4), 5) and 6) below, with the consequent extension in the medium term of the entire Board of Directors currently in office. Related and consequent resolutions**".

First of all, please note that the Shareholders' Meeting called for 29 June 2023 also includes the following items (3, 4, 5 and 6) on the agenda:

3. Appointment of the Board of Directors:

- 3.1. Determination of the number of members of the Board of Directors;*
- 3.2. Appointment of the Directors;*
- 3.3. Appointment of the Chairman of the Board of Directors;*
- 3.4. Determination of the annual remuneration of the members of the Board of Directors.*

4. Report on the Remuneration policy and compensation paid:

- 4.1. Approval of the first section of the Report pursuant to article 123-ter, paragraph 3-bis and 3-ter of Legislative Decree no. 58 of 24 February 1998;*
- 4.2. Resolutions related to the second section of the Report pursuant to article 123-ter, paragraph 6 of Legislative Decree no. 58 of 24 February 1998;*
Related and consequent resolutions.

5. Three-year monetary incentive plan 2023-2025 for Pirelli Group management; related and consequent resolutions.

6. The "Directors and Officers Liability Insurance" policy. Related and consequent resolutions"

We inform you that on 9 May 2023 the indirect shareholder China National Tire & Rubber Co., Ltd ("**CNRC**") sent the Company an update on the administrative proceeding pursuant to Decree Law 21/2012 (as amended and supplemented), initiated following the notification submitted by CNRC on 6 March 2023 (the "**Golden Power Procedure**") regarding the renewal of the shareholders' agreement signed on 16 May 2022 by, among others, CNRC, Marco Polo International Italy S.r.l.,

Camfin S.p.A. and Marco Tronchetti Provera & C. S.p.A. (the '**Shareholders' Agreement**'). In particular, the Board of Directors was informed that, at this stage of the proceedings, it is foreseeable that the relevant final decision may be issued subsequent to expiry of the legal deadline for the submission of slates for the next renewal of the Board of Directors (5 June 2023 - deadline extended by one day with respect to the actual deadline in that it falls on a Sunday).

The Board of Directors considered that compliance with the principles and best practices of corporate governance suggest that the timing of the Golden Power Procedure should be taken into consideration and, consequently, resolved to propose that the Shareholders' Meeting vote on deferring the appointment of the Board of Directors (and the discussion of the subsequent items on the agenda) to after the Golden Power Procedure has been concluded.

Should the Shareholders' Meeting approve postponing the renewal of the Board of Directors, the current Board of Directors in its entirety would remain in office under an extension regime until the next Shareholders' Meeting called by the Board of Directors presumably by 31 July 2023 to take into account the issue of the decision of the Golden Power Procedure.

It should be noted that, pursuant to Article 2386 of the Italian Civil Code and Article 10.13 of the Bylaws, subsequent to the call of the last Shareholders' Meeting held on 18 May 2022, the Board of Directors appointed:

- on 11 October 2022, **Li Fanrong** to replace Ning Gaoning who resigned on 8 October 2022; on 11 October 2022, Li Fanrong was also appointed as Chairman of the Board of Directors to replace Ning Gaoning who resigned;
- on 10 May 2022, **Yang Shihao** to replace Yang Xingqiang who resigned on 28 April 2022 with effect from the date of the Board meeting;
- on 22 February 2023, **Wang Feng** to replace Bai Xinping who resigned on 15 February 2023 with effect from the date of the Board meeting (together with Li Fanrong and Yang Shihao, the '**Co-opted Directors**').

At the time of their appointment, the Board of Directors ascertained for each of the Co-opted Directors that they met the requirements of professionalism and integrity required by law and by the Company's Bylaws, and acknowledged their suitability to serve as Directors of the Company.

The extension regime resulting from the possible decision of the Shareholders' Meeting to postpone to a new meeting the decision on items 3), 4), 5) and 6) of the

agenda, will affect all the members of the administrative body, including the Co-opted Directors, who, pursuant to Article 2386 of the Italian Civil Code, will stand down on the date of the Shareholders' Meeting. Items 3), 4), 5) and 6) on the agenda will, instead, only be resolved on in the case in which, after approving the financial statements and adopting the ensuing resolution on distribution of the dividend, the Shareholders' Meeting should vote against the proposal referred to in this Report. For the topics covered in items 3), 4), 5) and 6), please refer to the specific Explanatory Reports prepared by the Directors pursuant to Article 125-ter of Legislative Decree No. 58 of 24 February 1998, as amended.

With regard to everything considered hitherto, should you agree with the proposal as formulated above, we kindly invite you to approve the following

RESOLUTION

- to postpone the discussion and voting on the matters under items 3), 4), 5) and 6) on the agenda to a subsequent Shareholders' Meeting to be called by the Board of Directors currently in office, presumably by 31 July 2023 following adoption of the final decision of the Golden Power Procedure, with the consequent medium-term extension of the members of the Board of Directors currently in office.