



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

**Reports to the Shareholders' Meeting of 31  
July 2023**

**The “Directors and Officers Liability Insurance” policy. Related and  
consequent resolutions**

**(item 4 on the agenda)**

DISCLAIMER: The item will be discussed, only if the proposals under item 2 on the agenda of the Shareholders' Meeting of 29 June 2023 will be approved.

**Illustrative 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 20 June 2023.**

Dear Shareholders,

as is well known, the use of insurance cover for the civil liability of members of the corporate bodies and managers is common international practice on the most developed financial markets, and provides a safeguard for members of management and control bodies, as well as key managers, allowing them to perform the tasks assigned to them with peace of mind and in the interests of the Company, containing the risks linked to the performance of their duties.

In fact, those policies – commonly referred to as “Directors’ and Officers’ Liability Insurance” or more simply “D&O” – allow members of the corporate bodies, both management and control bodies (hence for Directors and Statutory Auditors) and group managers, to be released from liability in terms of compensation for financial losses deriving from civil liability, as well as the legal expenses linked to any actions for civil liability or liability brought by third parties harmed by the actions of members of the aforementioned corporate bodies or by Pirelli Group managers in the performance of their duties (without prejudice – obviously – to cases of intentional breaches by said members of the obligations inherent to the performance of their duties), and therefore protect members of corporate bodies and company managers operating in the interests of the Pirelli Group and its shareholders.

The Company, which has been using these practices for years, deems it appropriate on the appointment of the new Board of Directors<sup>1</sup>, to also propose to its Shareholders to authorise the Board of Directors to renew the D&O insurance coverage.

The existing policy was stipulated annually with an insurance company of primary standing assisted by the Group broker, who first carried out benchmarking in order to assess and align the Pirelli position with the main comparable companies that have already taken out insurance coverage. The policy limit, currently 125,000,000 euros, was determined not only based on comparative analyses but also on historic evidence.

For the next renewal, as occurred in the past, besides the aforementioned aspects, Group characteristics and international vocation and the D&O insurance market dynamics will also be considered. The applicable excess will be determined according

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<sup>1</sup> Lastly, approval by the Company Shareholders’ Meeting occurring on 18 June 2020.

to the various associated risks, besides envisaging automatic cover mechanisms for new individuals taking on roles within the Group or newly acquired companies.

In summary:

- ❖ life: 12 months;
- ❖ net annual premium: 886,750 euros .

There will be no cover in the event that the insured party's conduct is based, originates from or is the result of a) the obtaining of undue profit or benefit and b) any criminal, dishonest or fraudulent act.

It should be noted that the Board of Directors resolved to propose to the Shareholders' Meeting called for 29 June 2023 to postpone to a subsequent Shareholders' Meeting, to be called presumably by 31 July 2023 to take into account the issue of the decision of the Golden Power Procedure, the discussion and decision on the items on the agenda relating to the renewal of the Board of Directors, with the consequent extension in the meantime of the Board members currently in office, and on the subsequent items on the agenda, including the item regarding the authorization of the Board of Directors to renew the D&O insurance policy. For more details on this proposal, please refer to the Explanatory Report on item 2) on the agenda of the Shareholders' Meeting of 29 June 2023. Therefore, the discussion and resolution upon this item will proceed only if the Shareholders' Meeting called for 29 June resolves on the aforementioned postponement.

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With regard to everything considered hitherto, we kindly invite you - if the Shareholders' Meeting of 29 June 2023 should approve the item 2 on the agenda of the said Shareholders' Meeting - to authorise the Board of Directors to renew the D&O insurance policy, in accordance with the terms and conditions illustrated above and, therefore, if you agree with the proposal made, to approve the following

## ***RESOLUTION***

“The Ordinary Shareholders’ Meeting of Pirelli &C S.p.A., having examined the explanatory report of the Board of Directors;

### **RESOLVED**

a) to authorise the Board of Directors to proceed with renewal by the Company of the Directors & Officers Liability insurance policy, in accordance with the terms and conditions illustrated in the specific explanatory report drafted by the Board of Directors;

b) to grant to the Board of Directors and, acting on its behalf, the Executive Vice Chairman and/or the Chief Executive Officer, separately, the fullest powers necessary to renew the Directors & Officers Liability insurance policy and, in any case, to implement the above resolution, including through the use of representatives;

c) to assign to the Board of Directors – until the expiry of the relative mandate, that is, on the approval of the financial statements at 31 December 2025 – the task of proceeding with further renewals of the Directors & Officers Liability Insurance policy, in accordance with the terms and conditions prevailing on the insurance market during the course of the mandate and always in line with the remuneration policy adopted by the Company.”