



Procedure for related-party transactions

**Approved by the Board of Directors
of Pirelli & C. S.p.A. on 17 March 2022 and confirmed on 3 August 2023**

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Procedure for related-party transactions

Article 1 (Regulatory sources)

1.1 This procedure (hereinafter, the “**Procedure**”) is adopted, after obtaining the opinion in favour of the Pirelli & C. Related Parties Committee (“**Pirelli**” or the “**Company**”), pursuant and consequent to art. 2391-*bis* of the Italian Civil Code and the “*Regulation for related-party transactions*” adopted by Consob decision 17221 dated 12 March 2010, and subsequent amendments and additions (hereinafter, the “**RPT Regulation**”), having regard for the instructions and clarification provided by Consob in communication DEM/10078683 dated 24 September 2010.

Article 2 (Scope of application)

2.1. The Procedure establishes, in compliance with the RPT Regulation, the rules that can assure the transparency and substantive and procedural correctness of the Related Party Transactions implemented by Pirelli directly or through its subsidiaries (as per the criteria of Art. 2359 of the Italian Civil Code).

2.2 Related-party transactions put in place “through” subsidiaries are to be intended as RPTs carried out by Pirelli’s subsidiaries subject to the Company’s examination or approval. To this end: (a) the review or approval of the Related-Party Transactions must not necessarily be conducted under internal regulations or necessarily take place through an explicit resolution. It is, in fact, sufficient for a body or a Pirelli representative to preventively review or approve the Related-Party Transactions by virtue of the delegated powers conferred upon him/her; (b) what is meant by “examination” is not merely receiving information on the RPTs carried out by the subsidiary (for example, for purposes of control or for the purpose of drafting corporate accounting documents), but rather an assessment of the RPT that may lead to an intervention (for instance, in the form of an opinion, even a non-binding one) capable of affecting the RPT approval process by the subsidiary.

Article 3 (Definitions)

3.1 For the purpose of the Procedure, in addition to the other definitions indicated elsewhere therein, the following expressions shall have the meaning assigned to each (regardless of whether they are used in the singular or plural form).

“Directors Involved in the Transaction”: are the Pirelli directors with an interest in the transaction, on their own behalf or for third parties, which are in conflict with that of the Company.

“Related Directors”: are the Pirelli directors that are counterparties to a given Transaction or Related Parties to that counterparty.

“Independent Directors”: are the non-executive directors of Pirelli who meet the independence requirements envisaged by Art. 148, subsection 3 of Italian Legislative Decree no. 58 of 24 February 1998 - (the **“TUF”**) and the Corporate Governance Code to which Pirelli has adhered. In particular, Independent Directors are those deemed to be such by the Board of Directors of the Company at the time of their appointment and, subsequently, at least at the time of the meeting of the Board of Directors held to approve the Annual Report on Corporate Governance and the Ownership Structure.

“Unrelated Directors”: are the Pirelli directors other than the counterparties to a given Transaction and the Related Parties to that counterparty.

“Arm's Length or Standard Conditions” or Conditions Equivalent to Arm's Length or Standard Conditions: conditions equivalent to those usually applied to parties not related to Pirelli for transactions of a corresponding nature, entity or risk, or based on regulated tariffs or on prices imposed or applied to subjects with which Pirelli is legally bound to stipulate a contract for a given price.

Manager in charge: means the Manager responsible for the preparation of the corporate financial documents, as set out under Article 154-*bis* of the Unified Finance Law (TUF);

“Key Managers”: are the subjects defined as such in the Appendix.

“Group”: Pirelli and its subsidiaries according to the criteria set out in Art. 2359 of the Italian Civil Code.

“Significant Interests”: the interests generated by significant participatory or equity relations between (a) the subsidiaries (including jointly) or affiliates of the Company, which are counterparties to an RPT and (b) other Related Parties of the Company. There are Significant Interests, for example, in cases where: (i) in addition to the mere sharing of one

or more directors or other Key Managers, these parties benefit from incentive plans based on financial instruments (or, in any case, forms of variable remuneration) that depend on the results obtained by the subsidiaries or associates with which the RPT is carried out. The assessment of significance is carried out in light of the weighting of the remuneration dependent on the performance of the subsidiary or associate of Pirelli (including incentive plans) with respect to the comprehensive remuneration of the director or Key Manager; (ii) the subsidiary or associate of Pirelli is an investee (directly or even indirectly through subjects other than the Company) of the subject or entity that controls or exercises a considerable influence over the Company, if the effective weighting of this investment should exceed the effective weighting of the investment held by the same subject or entity in the Company. In order to assess this effective weighting, direct equity investments are weighted in full whilst indirect ones are weighted according to the percentage share capital held in the subsidiaries through which the equity investment concerned is held. If the equity investment are accompanied by other economic interests, these interests are considered together with those deriving from the equity investment.

Instead, in itself, the following does not constitute a Significant Interest: (a) the mere sharing of one or more directors or other Key Managers between the Company and the subsidiary or associates of the Company; (b) the simple holding of an equity investment in the subsidiary or associate of the Company, or other subsidiaries or associates of the Company;

“Managers”: the heads of the Group’s business units/central departments/operating activities (including, merely by way of example, executive directors, general managers and other managers).

“Related Party Transaction” (or **“RPT”** or **“Transaction”**): with reference to the Company, the transactions defined as such by the international accounting standards *pro tempore* in force, adopted according to the procedure pursuant to Art. 6 of Regulation (EC) No 1606/2002, as identified in the appendix to the RPT Regulation and reported here in the Appendix to facilitate consultation of the Procedure.

“Related Parties”: with reference to the Company, the subjects defined as such by the international accounting standards *pro tempore* in force, adopted according to the procedure pursuant to Art. 6 of Regulation (EC) No 1606/2002, as identified in the appendix to the RPT Regulation and reported here in the Appendix to facilitate consultation of the Procedure.

“First Reports”: the Group Managers reporting directly to the Deputy Chairman, the Chief Executive Officer and/or the Deputy CEO.

Unrelated Shareholders: the parties that hold voting rights, other than the counterparty of a given RPT and the Related Parties of both the counterparty to a given RPT and the Company.

Article 4 (Threshold of significance)

4.1 RPTs are deemed to be of greater significance (hereinafter, **“RPT of Greater Significance”**) if the Related-Party Transactions exceed the thresholds envisaged in Attachment 1.

4.2 RPTs are deemed to be of insignificant amount (hereinafter, **“RPT of Insignificant Amount”**) if the value of the Related-Party Transactions:

- (a) does not exceed Euro 150,000, if the counterparty is a natural person or partnership or capital company controlled by a natural person in accordance with the criteria set out in Art. 2359 of the Italian Civil Code
- (b) does not exceed Euro 300,000, if the counterparty is a legal entity, company, entity, asset or organisation, with the exclusion of the cases pursuant to paragraph (a) above in this Art. 4.2 of the Procedure.

4.3 RPTs are deemed to be of lesser significance (hereinafter, **“RPT of Lesser Significance”**) if the transactions are not RPTs of Greater Significance or RPTs of Insignificant Amount.

Article 5 (Exemptions)

5.1 The Procedure does not apply to RPTs of Insignificant Amount.

5.2 Without prejudice to the accounting disclosure obligations envisaged by Art. 5, subsection 8 of the RPT Regulation, the Procedure does not apply:

- (a) to Transactions carried out by Pirelli with subsidiary or between subsidiaries of Pirelli, in both cases also jointly, as well as to Transactions carried out by Pirelli or its subsidiaries with associates of Pirelli, if there are no Significant Interests of other Related Parties of the Company in such subsidiary or associates that are counterparties to the Transaction;
- (b) to Ordinary Transactions (as defined in Article 6 below) concluded at Arm’s Length or Standard Conditions, in which case, in the event of a derogation to the publication

obligations envisaged for RPTs of Major Relevance by Art. 5, subsections 1 to 7 of the RPT Regulation, without prejudice to the provisions of Art. 17 of Regulation (EU) No 596/2014 (the “Market Abuse Regulation”):

- (i) the Company notifies Consob and the RPT Committee, by the deadline prescribed by the RPT Regulation, of the subject and price of any Ordinary Transactions that have benefited from the exclusion, as well as of the reasons why it is considered that the Transaction is an Ordinary Transaction concluded at Arm’s Length or Standard Conditions, providing objective evidence to support this;
- (ii) the RPT Committee verifies the correct application of the exemption conditions to the Ordinary Transactions of Major Relevance stipulated at Arm’s Length or Standard Conditions;
- (iii) the Company indicates in the interim report on operations and the annual report on operations, under the scope of the information envisaged by Art. 5, subsection 8 of the RPT Regulation, which of the Transactions subject to the disclosure obligations indicated in said provision were stipulated using the exclusion envisaged for Ordinary Transactions stipulated at Arm’s Length or Standard Conditions.

5.3 The Procedure does not apply to transactions resolved by the Company for all shareholders at equal conditions, including:

- (a) capital increases in option, also at the service of convertible debenture loans, and the free share capital increases envisaged by Art. 2442 of the Italian Civil Code;
- (b) spin-offs in the strictest sense, both total and partial, with the criterion of proportional share attribution;
- (c) share capital reductions through the reimbursement of shareholders envisaged by Art. 2445 of the Italian Civil Code and purchases of treasury shares pursuant to Art. 132 of the TUF.

5.4 The Procedure does not apply to the shareholders’ resolutions adopted pursuant to art. 2389, para. 1, of the Italian Civil Code concerning the remuneration of the members of the Board of Directors and, if established, the Executive Committee, or to the resolutions concerning the remuneration of the directors with specific responsibilities included in the total amount established in advance at the Shareholders’ Meeting pursuant to art. 2389, para. 3, of the Italian Civil Code. The Procedure also does not apply to the shareholders’

resolutions adopted pursuant to art. 2402 of the Italian Civil Code concerning the remuneration of the members of the Board of Statutory Auditors.

5.5 Without prejudice to the accounting disclosure obligations envisaged by Art. 5, subsection 8 of the RPT Regulation, the Procedure does not apply:

- (a) to the compensation plan based on financial instruments approved at the Shareholders' Meeting pursuant to art. 114-bis of the Consolidated Law and the related implementing transactions;
- (b) to resolutions other than those indicated by Art. 5.4 of the Procedure on the remuneration of directors holding special offices and other Key Managers, as long as:
 - (i) the Company has adopted a compensation policy approved by the Shareholders' Meeting;
 - (ii) the compensation policy was determined with the contribution of a committee composed solely of non-executive directors, the majority of whom were independent;
 - (iii) the remuneration assigned is identified in compliance with said policy and quantified on the basis of criteria not involving any discretionary valuation.

5.6 Without prejudice to the provisions of Art. 5.2 (b) of the Procedure, the Executive Vice President Administration, Planning & Controlling prepares a report at least once a year, sending it to the Secretary of the Board of Directors, on the RPTs of Major Relevance implemented during the reference period to which exemption was applied in accordance with Article 5 of the Procedure. This report is sent to the RPT Committee by the Secretary of the Board of Directors.

Article 6 (Ordinary transactions)

6.1 Ordinary Transactions (hereinafter “**Ordinary transactions**”) are operations carried out in the ordinary course of the operating and related financial activities of Pirelli or its subsidiaries, and all other business management activities that are not classified as an Investment or a Financial Activity (hereinafter, “**Core Activity**”). For example, on condition that they comply with the specific relevant corporate procedures, Ordinary Transactions comprise those operations whose purpose, frequency, size, terms and conditions, and nature of counterparty fall within the ordinary exercise of the Core Activity, including in particular:

- the commercialisation and production of goods, works and services in the context of the Core Activity;

- the purchase of goods, works and services connected with the Core Activity and/or necessary for the functioning, maintenance and conservation of the technological adequacy of the industrial infrastructure or the property employed in the Core Activity and, in general, the functioning of the organisation of the business on its current scale and with its current characteristics, unless the transaction represents an Investment or a Financial Activity;
- the acquisition and management of financial resources, including the related hedging activities associated with carrying out the Core Activity, with the exclusion of all transactions representing an Investment or a Financial Activity;
- the management of equity investments, including in particular:
 - o the purchase and sale of equity investments;
 - o subscription to capital increases, except those with the exclusion of option rights,unless this represents an Investment or a Financial Activity.

6.2 For the purposes of the Procedure, an "**Investment**" is: (i) any transaction that results in the purchase or the disposal of fixed assets (e.g. the purchase or disposal of property, plant and equipment or intangible assets), except for any "non-current" assets that are held for sale; (ii) any financial investment that is not classified among the so-called "cash and cash equivalents".

6.3. For the purposes of the Procedure, a "**Financial Activity**" is any activity that results in changes: (i) to the amount and composition of paid-in capital; (ii) to the loans obtained by the Company that are unrelated to the Core Activity.

Article 7 (RPT Committee)

7.1 The Board of Directors of the Company establishes a Committee for RPTs (hereinafter, "**RPT Committee**") comprising exclusively of at least three Independent Directors.

As regards Related Party Transactions involving the remuneration and treatment of directors and other Key Managers or the matters concerned by the report on the remuneration policy and fees paid (including any derogations), the duties of the RPT Committee in accordance with this Procedure may be attributed by the Board of Directors to the Remuneration Committee to the extent and according to the criteria permitted by the RPT Regulation and the applicable provisions of law or regulations, also taking into account the membership of the Remuneration Committee (which may, therefore, exercise these duties for Transactions

of Minor Relevance and Transactions of Major Relevance where such is made up of Unrelated Directors who are, respectively, by majority, or exclusively, Independent Directors). In this case, the provisions of the Procedure referring to the RPT Committee are understood as referring to the Remuneration Committee.

7.2 An RPT Committee is established even if the Board of Directors assigns the related responsibilities to a pre-existing committee, on condition that it meets the conditions regarding its membership as per Art. 7.1 above.

7.3 The members of the Board of Statutory Auditors are invited to attend the meetings of the RPT Committee. An invitation may also be sent to the management and any experts, professionals or advisors appointed by the RPT Committee or the Company or its subsidiaries, to take part in the RPT Committee meetings.

7.4 In terms of the members of the RPT Committee, the Board of Directors has the right to appoint (if necessary or also preventively) alternate Independent Directors, indicating the order in which they are appointed (hereinafter the “**Alternate Independent Directors**”). The Alternate Independent Directors shall temporarily take over, in the order indicated by the Board of Directors, from the Independent Directors making up the RPT Committee to absolve the tasks assigned in this latter role in cases where one or more members of the RPT Committee are Related Directors in connection with one or more Related Party Transactions.

7.5 If a member of the RPT Committee should for any reason cease office as director of Pirelli or member of the RPT Committee or no longer meet the independence requirements called for by the RPT Regulation and Procedure to hold the position of member of the RPT Committee, the Board of Directors shall appoint a new Independent Director as member of the RPT Committee to replace the member who has ceased office or no longer meets the independence requirements.

7.6 If there are not at least three Independent Directors on the Pirelli Board of Directors who are also Unrelated Directors in connection with one or more Related Party Transactions, Article 16 below shall apply.

Article 8 (Database of Related Parties)

8.1 The Related Parties of Pirelli are input to and sorted in a specific database (hereinafter, “**Database**”) that the Company manages based on the information in its possession and the declarations received from the direct Related Parties.

8.2 Subjects exercising individual or joint control or significant influence over Pirelli, directors, standing statutory auditors, Key Managers of the Company and parents, direct Related Parties and, where Related Parties, any other subjects envisaged to this end by the RPT Regulation: (i) shall make a declaration to Pirelli whereby they provide the information necessary to identify the Related Parties through them, communicating all data necessary to this end, including that relating to close family members and entities in which they or a close family member exercise joint or several control or have a significant influence or for which they are key managers; (ii) shall promptly notify Pirelli of any updates and changes thereto.

8.3 The Database is updated at least every three months. In particular, the Secretary to the Board of Directors gathers the declarations made by the Related Parties during the month following the end of each quarter and sends them to the Financial Statements Department responsible for updating the Database, as well as to the Manager in charge.

Article 9 (Check on the applicability of the Procedure)

9.1 Before carrying out a transaction, the Managers of the Company and its subsidiaries check whether or not the counterparty is a Related Party.

9.2. If it is found to be a Related Party Transaction and said Transaction is not covered by the exemptions envisaged in art. 5 of the Procedure, the Manager suspends the due diligence and/or negotiations and informs a First Report of the Company or, in the case of an Italian or foreign subsidiary, the Chief Financial Officer (or, if unavailable, the Chief Executive Officer) of that company who, in turn, informs the Executive Vice President Administration, Planning & Controlling of Pirelli.

9.3 On receipt of the communication, the First Report of the Company or the Executive Vice President Administration, Planning & Controlling of Pirelli notifies the Secretary to the Board of Directors who gives instructions for the continuation of the transaction in compliance with the provisions of art. 10 (RPT of Greater Significance) or art. 11 (RPT of Lesser Significance) of the Procedure.

9.4 If the Related Party Transaction should come under the scope of the exemptions or exclusions pursuant to Article 5 above of the Procedure, the Manager of the Company shall notify the Executive Vice President Administration, Planning & Controlling for the purpose of the requirements to be fulfilled under Art. 5.6 of the Procedure.

9.5 The activities described in the above paragraphs are adequately documented and rendered traceable.

Article 10 (RPT of Greater Significance)

10.1 In the event of an RPT of Greater Significance, the following provisions apply.

10.2 The Secretary to the Board of Directors informs the Chief Executive Officer without delay and the Chairman of the RPT Committee.

10.3 The Secretary of the Board of Directors assures that the RPT Committee is involved promptly during the negotiating and analysis phase through receiving a complete, updated flow of information between the subjects in charge of negotiations or analyses and the RPT Committee.

In particular, prior to the start of the negotiations regarding the RPT of Greater Significance, the Committee must receive information (including in the form of declarations made during RPT Committee meetings) - by the First Report of the Company appointed by the RPT or Executive Vice President Administration, Planning & Controlling, if the RPT is to be carried out by subsidiaries - containing a description of the Transaction, the indication of the counterparty and if and insofar as available, information about the economic and other conditions of the Transaction, the assessment procedure applied and the reasons for the Company's interest in carrying out the RPT and the value and substantive corrective of the relevant conditions. Thereafter, during negotiations, this information is updated from time to time and in any case at least once a quarter with an indication of any significant differences with respect to the previous information.

The RPT Committee is notified about the definitive termination of all negotiations.

10.4 At the convocation of the RPT Committee and, in any case, reasonably in advance before the meeting, the Secretary of the Board of Directors will send to the RTP Committee the documentation with all the adequate and complete information according to the RTP. When the Transaction is defined as an Ordinary Transaction at Arm's Length or Standard Conditions, the documentation transmitted to the RPT Committee must contain objective supporting evidence.

10.5 The RPT Committee, or the Independent Director specifically authorised by the RPT Committee, is entitled to request information from and make comments to the delegated bodies and the persons authorised to conduct the negotiations or the due diligence for the RPTs.

10.6 On completion of the due diligence, the Chairman of the RPT Committee, directly or via the Secretary to the Board of Directors, calls a meeting of the RPT Committee so that it can express a reasoned opinion on the interest of the Company in carrying out the Transaction, as well as on the reasonableness and propriety in substance of the related conditions. This opinion is annexed to the minutes of the meeting of the RPT Committee.

10.7 The RPT Committee is entitled to obtain assistance, at the expense of the Company, from one or more independent experts selected by the Committee. In this event, the RPT Committee preventively verifies the independence of the experts, taking into account any economic, equity and financial relations between the independent experts and (i) the Related Party, its subsidiaries, its parent entities, companies under joint control and the directors of the Related Party and said companies; (ii) Pirelli, its subsidiaries, its parent entities, companies under joint control and the directors of Pirelli and said companies.

10.8 The opinion of the RPT Committee is sent, via the Secretary to the Board of Director, to the Chairman of the Board of Directors who adds the RPT of Greater Significance to the agenda of the Board of Directors of Pirelli, which is entitled to make the relevant decision. The Directors Involved in the Transaction shall abstain from voting on it.

10.9 The Board of Directors, which is the sole body entitled to approve RPTs of Greater Significance, only approves the transaction if the RPT Committee has issued a favourable opinion.

In order for an opinion of the RPT Committee to be considered favourable, it must concur entirely with the Transaction.

If the opinion of the RPT Committee is considered favourable and, therefore, allows the Transaction to be completed despite the presence of some elements of dissent, the opinion shall specify the reasons for which these elements are not deemed to affect the overall opinion on the interest of the Company in carrying out the Transaction, as well as on the propriety in substance of the related conditions.

A favourable opinion issued by the RPT Committee on condition that the Transaction is completed or carried out in compliance with one or more instructions shall be deemed favourable pursuant to the Procedure, subject to effective compliance with the specified conditions; in that case, evidence of compliance with the conditions is provided in the report on the execution of the Transactions supplied to the administrative and control bodies.

10.10 With regard to the RPTs of Greater Significance submitted for approval, the Board of Directors receives adequate information with reasonable notice about each Transaction, as

well as about the nature of the relationship, how the Transaction will be executed, the economic and other conditions for its completion, the assessment process followed and any risks for Company, together with the opinion issued by the RPT Committee. The Board of Directors may seek the advice of experts or consultants.

10.11 Once the transaction has been approved by the Board of Directors, the Secretary of the Board of Directors shall provide information to the First Report in charge of the Transaction, who shall then, in turn, inform the Executive Vice President Administration, Planning & Controlling, or to the Executive Vice President Administration, Planning & Controlling directly in the case of an RPT of Greater Significance that needs to be carried out by subsidiaries of Pirelli. In the absence of approval of the Transaction by the Board of Directors or in the presence of an adverse opinion from the RPT Committee, or if the RPT Committee does not approve a favourable opinion upon completion of the analysis, the Company and/or its subsidiaries do not commence or continue the negotiations and do not implement the RPT of Greater Significance.

10.12 Following approval of the RPT of Greater Significance, to be carried out directly or by the subsidiaries of Pirelli, the Company prepares a document for disclosure to the public on the basis and with the timing specified in the RPT Regulation.

10.13 When, pursuant to the law or the Articles of Association, an RPT of Greater Significance must be decided upon or authorised at a Shareholders' Meeting, the provisions of this article of the Procedure are applicable in relation to the negotiations, the due diligence and the approval of the proposed resolution for submission to the Meeting, with the exclusion of the competence of the Board of Directors pursuant to Article 10.9 of the Procedure, which in this case shall not apply. If there are significant updates to be made to the information document published in accordance with Article 10.12 above of the Procedure, the company makes a new version of said information document available to the public, in the way and in accordance with the terms established by the RPT Regulation and the Consob Regulation on issuers, adopted by resolution no. 11971 of 14 May 1999, as subsequently amended (the "**Issuers' Regulation** "). The Company may include the information already published by making reference to it.

10.14 Every quarter, the Executive Vice President Administration, Planning & Controlling submits, via the Secretary to the Board, a report to the Board of Directors and the Board of Statutory Auditors on the execution of the RPTs of Greater Significance carried out by the Company or its subsidiaries.

Article 11 (RPT of Lesser Significance)

11.1 In the event of an RPT of Lesser Significance, the following provisions apply.

11.2 Without prejudice to respect for the authorisation and decision-making competences established by the governance system and the organisational provisions of Pirelli, in the case of an RPT of Lesser Significance, the Secretary to the Board of Directors informs the Chairman of the RPT Committee who, directly or via the Secretary to the Board of Directors, calls a meeting of the RPT Committee so that it can express a reasoned opinion on the interest of the Company in carrying out the Transaction, as well as on the reasonableness and propriety in substance of the related conditions.

11.3 The First Report of the Company or the Executive Vice President Administration, Planning & Controlling in the case of Transactions to be implemented with subsidiaries, provides, at the same time as the report to the Secretary to the Board of Directors of the RPT of Lesser Significance, information (including in the form of declarations made during RPT Committee meetings) containing a description of the Transaction, the indication of the counterparty and the state of negotiations as well as, if and insofar as available, information about the main economic and other conditions of the Transaction, the assessment procedure applied and the reasons for the Company's interest in carrying out the Transaction and the value and substantive corrective of the relevant conditions. Thereafter, during negotiations, this information is updated from time to time and in any case at least once a quarter with an indication of any significant differences with respect to the previous information.

11.4 When calling the meeting of the RPT Committee and, in any case, in good time before the meeting, the Secretary to the Board of Directors sends documentation containing adequate and complete information about the RPT to the members. When the Transaction is defined as an Ordinary Transaction at Arm's Length or Standard Conditions, the documentation transmitted to the RPT Committee must contain objective supporting evidence.

11.5 The RPT Committee is entitled to obtain assistance, at the expense of the Company, from one or more independent experts selected by the Committee, up to a maximum expenditure of 2% of the value of the RPT of Lesser Significance and, in any case, not exceeding 150 thousand euro, without prejudice to the ability of the RPT Committee to exceed this maximum expenditure limit with agreement from the Chief Executive Officer . In this event, the RPT Committee preventively verifies the independence of the experts, taking into account any economic, equity and financial relations between the independent

experts and (i) the Related Party, its subsidiaries, its parent entities, companies under joint control and the directors of the Related Party and said companies; (ii) Pirelli, its subsidiaries, its parent entities, companies under joint control and the directors of Pirelli and said companies.

11.6 Having examined the RPT of Lesser Significance, the RPT Committee issues its reasoned opinion on the Transaction. This opinion is annexed to the minutes of the meeting of the RPT Committee. The minutes documenting approval of the Transaction must contain adequate reasons for the interest of the Company in carrying out the Transaction and on the reasonableness and propriety in substance of the related conditions.

In order for an opinion of the RPT Committee to be considered favourable, it must concur entirely with the Transaction.

If the opinion of the RPT Committee is considered favourable and, therefore, allows the Transaction to be completed despite the presence of some elements of dissent, the opinion shall specify the reasons for which these elements are not deemed to affect the overall opinion on the interest of the Company in carrying out the Transaction, as well as on the propriety in substance of the related conditions.

A favourable opinion issued by the RPT Committee on condition that the RPT is completed or carried out in compliance with one or more instructions shall be deemed favourable pursuant to the Procedure, subject to effective compliance with the specified conditions; in that case, evidence of compliance with the instructions is provided in the report on the execution of the transactions supplied to the administrative and control bodies.

11.7 In the event of a favourable opinion, the Secretary to the Board of Directors informs the First Report in charge of the transaction or, in case of a Transaction carried out by a Pirelli's subsidiary, the Executive Vice President Administration, Planning & Controlling, who in turn informs the Chief Financial Officer (or, if unavailable, the Chief Executive Officer) of the subsidiary of Pirelli.

11.8 In the case of an adverse opinion of the RPT Committee (or failure to approve a favourable opinion by the same RPT Committee upon completion of the analyses), the Secretary to the Board of Directors informs the First Report of the Company in charge of the Transaction, or the *Executive Vice President Administration, Planning & Controlling*, and the Company and/or its subsidiaries do not commence or continue the negotiations and do not carry out the Transaction.

11.9 When an RPT of Lesser Significance comes under the competence of the Board of Directors, the Directors Involved in the Transaction shall abstain from voting on it.

11.10 When, pursuant to the law or the Articles of Association, an RPT of Lesser Significance must be decided upon or authorised at a Shareholders' Meeting, the provisions of this article are applicable in relation to the negotiations, the due diligence and the approval of the proposed resolution for submission to the Meeting.

11.11 Every quarter, the Executive Vice President Administration, Planning & Controlling submits, via the Secretary to the Board, a report to the Board of Directors and the Board of Statutory Auditors on the execution of the RPTs of Lesser Significance carried out by the Company or its subsidiaries.

Article 12 (Framework resolutions)

12.1 For certain categories of Transaction, the Company may adopt framework resolutions relating to Transactions of the same type with specified categories of Related Party.

12.2 The initiative with regard to the adoption of framework resolutions resides with the Chief Executive Officer, the Deputy-CEO, the General Managers, if appointed, the Secretary to the Board of Directors and the Executive Vice President Administration, Planning & Controlling who, having determined that it would be appropriate to adopt framework resolutions, prepare a proposal for the RPT Committee that expressly indicates (i) the category of Transactions for which the adoption of a framework resolution is requested; (ii) the Related Party or type of Related Party that is counterparty to the Transactions addressed by the framework resolution; (iii) the duration of the effectiveness of the framework resolution; (iv) the maximum expected amount of the Transactions to be carried out during the reference period; (v) the reasons for the conditions specified in the framework resolution.

12.3 The proposed framework resolution is transmitted to the Secretary to the Board of Directors (where not drafted by the same) who, having checked the Greater or Lesser Significance of the framework resolution, sends the proposal to the Chairman of the RPT Committee for the appropriate considerations of that RPT Committee on the basis and with the timing specified in this article.

12.4 Framework resolutions cannot be effective for more than one year and must specify the types of RPTs covered, the maximum expected amount of the RPTs to be carried out during the reference period and the reasons for the conditions specified in them.

12.5 Framework resolutions for Transactions that, considered cumulatively, are expected to

exceed the threshold of greater significance established in application of the criteria pursuant to Annex 1 for the definition of an RPT of Greater Significance (hereinafter the **“Framework Resolutions of Greater Significance”**), are submitted for approval by the Board of Directors following the issue of a favourable opinion by the RPT Committee and the other requirements relating to RPTs of Greater Significance as per Article 10 above of the Procedure, including publication of the disclosure document envisaged in the RPT Regulation. In the case of an adverse opinion from the RPT Committee (or failure of said RPT Committee to approve a favourable opinion upon completion of the analyses), the proposal is not submitted to the Board of Directors and the Company shall not carry out the RPT concerned by the proposed Framework Resolution.

12.6 Framework resolutions for transactions that, considered cumulatively, are expected to total less than the amount indicated in Article 12.5 of the Procedure (hereinafter the **“Framework Resolutions of Lesser Significance”**) must be approved by the RPT Committee and subjected to the rules applying to RPTs of Lesser Significance pursuant to article 11 of the Procedure.

12.7 The Financial Statements Department sends a quarterly report to the Board of Directors on the implementation of the framework resolutions at the time of approval by the Board of Directors of the reports required by art. 154-ter TUF.

12.8 The individual Transactions carried out in implementation of the framework resolution are not subject to the provisions of arts. 10 and 11 of the Procedure. The Transactions completed in implementation of a framework resolution described in a published disclosure document are not included in the cumulative total calculated to determine if the significance thresholds have been exceeded.

Article 13 (Urgent transactions)

13.1 Where specifically permitted by the Company’s Articles of Association, in urgent cases, where a Transaction is not the competence of the shareholders' meeting and does not need to be authorised by it, without prejudice to the obligations to disclose information to the public about related-party transactions specified in Art. 5 of the RPT Regulation, and without prejudice to the reservation of competence to resolve by the Board of Directors for RPTs of Greater Significance pursuant to Art. 10.9 of the Procedure, the Related Party Transaction may be completed by the Board of Directors, by a managing director or by the Executive Committee, where established, also in derogation from Articles 10 (without prejudice to the

specified reservation of competence of the Board of Directors) and 11 of the Procedure, as long as:

- (a) the Transaction to be carried out is within the powers of an executive director or the Executive Committee, if appointed and the Chairman of the Board of Directors and the Lead Independent Director, if appointed, are informed about the urgent reasons in a timely manner and, in any case, prior to carrying out the Transaction. If carrying out the Transaction falls within the powers delegated to the Chairman or in any case relates to him, the Transaction is approved by the Board of Directors, even if it is an RPT of Lesser Significance;
- (b) while remaining effective, these transactions are subsequently subjected to a non-binding resolution at the next available ordinary Shareholders' Meeting;
- (c) in convening the shareholders' meeting pursuant to point (b) above, the Board of Directors prepares a report containing proper explanation as to why it is urgent. The Board of Statutory Auditors reports to the shareholders' meeting on its considerations regarding the existence of reasons for urgency;
- (d) the report of the Board of Directors and the considerations of the Board of Statutory Auditors as per point (c) above shall be made available to the public in accordance with the terms and conditions indicated in the provisions in force *pro tempore* as per the RPT Regulation and the Issuers' Regulation;
- (e) by the day following that of the Shareholders' Meeting, the Company makes the information about the outcome of voting available to the public, in the manner specified in the RPT Regulation and Issuers' Regulation, highlighting the total number of votes cast by Unrelated Parties.

Article 14 (Amendment of the Procedure)

14.1 Amendments to the Procedure are approved by the Board of Directors after obtaining the favourable opinion of the RPT Committee comprising exclusively and at least three Independent Directors.

14.2 Periodically, and at least once every three years, after seeking the opinion of the RPT Committee comprising exclusively and at least three Independent Directors, the Board of Directors decides whether or not to revise the Procedure taking into account, amongst other aspects, any changes involving the ownership structures, its effectiveness and the Consob guidance given on RPT Regulations.

14.3 If there are not at least three Independent Directors on the Pirelli Board of Directors, the alternative measures shall apply, as per Article 16.1(a) below in the Procedure.

Article 15 (Information to the public about Related Party Transactions)

15.1 The Company discloses information to the public about the Related-Party transactions on the basis and with the timing envisaged in and governed by art. 5 of the RPT Regulation, as well as by art. 17 of Regulation (EU) 596/2014 (Market Abuse Regulation), where applicable.

15.2 If a Related Party Transaction is disclosed through a press release in accordance with Article 17 of Regulation (EU) No 596/2014, in addition to the information to be published in accordance with said regulation, this latter shall also include the following:

- (a) a description of the Transaction;
- (b) the indication that the counterparty of the Transaction is a Related Party and a description of the nature of the relationship;
- (c) the name of the counterparty in the Transaction;
- (d) if the Transaction is an RPT of Greater Significance and the indication of any subsequent publication of an information document;
- (e) the procedure that has been or will be adopted for the approval of the Transaction and, in particular, if the Company applied any of the cases of exclusion envisaged by Article 5 of the Procedure.

Article 16 (Alternative controls)

16.1 If there are not at least three Independent Directors on the Pirelli Board of Directors who are also Unrelated Directors in connection with one or more Related Party Transactions, the following shall apply:

- (a) resolutions relative to changes to the Procedure are approved upon obtaining the favourable opinion of any Independent Directors in office or, in their absence, upon obtaining the non-binding favourable opinion of an independent expert;
- (b) the tasks and prerogatives attributed to the RPT Committee in accordance with the Procedure for the phases of negotiations and analyses for RPTs of Lesser Significance and RPTs of Greater Significance are attributed to any Independent Directors in office who are also Unrelated Directors in connection with the Transaction or, in absence thereof, to an independent expert or the Board of Statutory Auditors (as long as, in

this latter case, the standing statutory auditors inform the other standing statutory auditors of any interest they may have, on their own behalf or for third parties, in the Transaction, clarifying the nature, terms, origin and scope of such);

- (c) RPTs of Lesser Significance and RPTs of Greater Significance are resolved and/or carried out after obtaining the binding favourable opinion on the interest of Pirelli in the Transaction and the value and substantive correctness of the conditions of the Transaction by any Independent Directors in office who are also Unrelated Directors in connection with the Transaction or, in absence thereof, after obtaining the prior binding favourable opinion of an independent expert or the Board of Statutory Auditors (as long as, in this latter case, the standing statutory auditors inform the other standing statutory auditors of any interest they may have, on their own behalf or for third parties, in the Transaction, clarifying the nature, terms, origin and scope of such).

Article 17 (Monitoring by the Board of Statutory Auditors)

17.1 The Board of Statutory Auditors monitors compliance by the Procedure and its subsequent amendments with the principles of the RPT Regulation and compliance with the Procedure.

17.2 Pursuant to art. 2429, para. 2, of the Italian Civil Code and art. 153 TUF, the Board of Statutory Auditors reports to the Shareholders' Meeting on its activities.

Article 18 (Coordination with the procedures of the Manager in charge)

18.1 The Manager in charge ensures the necessary coordination of the Procedure with the accounting and administrative procedures for the preparation of the separate and consolidated financial statements, as well as all other financial communications.

All RPTs approved pursuant to the Procedure are communicated on a timely basis to the Manager in charge by the Secretary to the Board of Directors, in order to comply with the disclosure requirements envisaged in art. 154-bis of the Consolidated Law.

18.2 The Manager in charge and the Secretary to the Board notify the Board of Directors on a timely basis about any changes in the Procedure they deem necessary to guarantee coordination over time with the accounting and administrative procedures referred to in the

previous paragraph, having regard among other matters for any changes in international accounting standards and/or Italian regulations.

Article 19 (Application date)

19.1 The Procedure applies as of 01 July 2021.

19.2 The Procedure and its subsequent amendments are published without delay on the website of the Company.

Appendix - Definition of Related Parties and Related Party Transactions and definitions functional thereto in accordance with the international financial reporting standards

1. Definitions of Related Parties and Related Party Transactions according to the international financial reporting standards

For the purpose of the RPT Regulation and the Procedure, with reference to Pirelli, the definition of Related Parties and Related Party Transactions given in the international financial reporting standards in force *pro tempore* and adopted according to the procedure pursuant to Art. 6 of Regulation (EC) No 1606/2002.

To facilitate consultation of the Procedure, this Appendix gives the definitions in force as at the date of last approval of the Procedure, as indicated in the appendix to the Consob RPT Regulation. This Appendix will be updated over time by the corporate offices of Pirelli, when any amendments or supplements are made.

Related Parties

A Related Party is a person or entity related to the entity that draws up the financial statements, without prejudice to the fact that, for the purpose of this Appendix, the entity drafting the financial statements is Pirelli.

(a) A person or a close member of that person's family is related to the entity that draws up the financial statements if that person:

- (i) has control or joint control over the entity that draws up the financial statements;
- (ii) has significant influence over the entity that draws up the financial statements;
or
- (iii) is a member of the key management personnel of the entity that draws up the financial statements of a parent company.

(b) An entity is related to the entity that draws up the financial statements if any of the following conditions applies:

- (i) the entity and the entity that draws up the financial statements are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the entity that draws up the financial statements or an entity related to the latter.

- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a Key Manager of the entity (or of a parent of the entity).
- (viii) the entity, or any member of a group to which it belongs, provides key management services to the entity that prepares the financial Report or the parent company of the entity that prepares the financial statements [IAS 24, paragraph 9].

In the definition of Related Party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture. Therefore, for example, an associate's subsidiary and the investor that has significant influence over the associate are related to each other [IAS 24, paragraph 12].

Transactions with Related Parties

A Related Party Transaction (or "RPT") is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged [IAS 24, paragraph 9].

These transactions include:

- mergers, demergers by incorporation or non-proportional demergers in the strictest sense if performed with Related Parties;
- decisions relative to the assignment of remuneration and economic benefits, in any form, to members of the administrative and auditing bodies and Key Managers of Pirelli.

2. Definitions functional to those of Related Parties and Related Party "Transactions according to the international financial reporting standards

The terms "control", "joint control" and "significant influence" are defined in IFRS 10, IFRS 11 (Joint Arrangements) and IAS 28 (Investments in Associates and Joint Ventures) and are used with the meanings specified in these IFRSs [IAS 24, paragraph 9].

Key Managers with strategic responsibilities

Key Managers are those persons having authority and responsibility for planning, directing and controlling the activities of Pirelli, directly or indirectly, including any director (whether executive or otherwise) of Pirelli [IAS 24, paragraph 9], as identified by specific resolution passed by the Board of Directors of Pirelli.

Close family members

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and

- (c) dependants of that person or of that person's spouse or domestic partner [IAS 24, paragraph 9].

3. Standards interpreting the definitions

3.1 In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form [IAS 24, paragraph 10].

3.2 The above definitions are interpreted with reference to all the international accounting standards adopted as per the procedure set out in Article 6 of Regulation (EC) No 1606/2002.

Attachment 1 - Transactions of Greater Significance

1.1. Pursuant to the Procedure, RPTs of Greater Significance are defined as Transactions in which at least one of the following parameters of significance, as applicable depending on the specific transaction, exceeds the threshold of 5%:

a) Amount parameter of significance: ratio of the amount of the Transaction to the shareholders' equity reported in the latest consolidated statement of financial position published by the Company or, if greater, the capitalisation of the Company determined at the close of the last trading day in the reference period of the periodic accounting document published most recently (annual or half-yearly report or interim report on operations).

If the economic conditions of the Transaction are known, the value of the Transaction is:

- i) for cash components, the amount paid to/by the contractual counterparty;
- ii) for components consisting of financial instruments, their fair value determined at the date of the Transaction in compliance with the international accounting standards endorsed in Regulation (EC) 1606/2002;
- iii) for loans or the giving of guarantees, the maximum amount to be paid out.

If the economic conditions of the Transaction depend in whole or in part on totals not yet known, the value of the Transaction is the maximum amount receivable or payable under the agreement.

b) Asset parameter of significance: ratio of the total assets of the entity involved in the Transaction to the total assets of the Company. The data to be used must be taken from the latest consolidated statement of financial position published by the Company; where possible, similar data must be used to determine the total assets of the entity involved in the Transaction.

With regard to the acquisition or disposal of equity investments in companies with an effect on the scope of consolidation, the value of the numerator is represented by the total assets of the company concerned, regardless of the percentage of capital involved in the transaction.

With regard to the acquisition or disposal of equity investments in companies without an effect on the scope of consolidation, the value of the numerator is represented:

- i) in the case of acquisitions, by the value of the Transaction uplifted by any liabilities of the acquired company that are taken over by the purchaser;
- ii) in the case of disposals, by the consideration for the activity sold.

With regard to the acquisition or disposal of other activities (excluding the purchase of an equity investment), the value of the numerator is represented:

- i) in the case of acquisitions, by the greater of the consideration or the carrying amount to be attributed to the activity;

ii) in the case of disposals, by the carrying amount of the activity.

b) Liability parameter of significance: ratio of the total liabilities of the entity acquired to the total assets of the Company. The data to be used must be taken from the latest consolidated statement of financial position published by the Company; where possible, similar data must be used to determine the total liabilities of the company or line of business acquired.

1.2. Transactions with a listed parent company or with parties related to the latter that, in turn, are related to the Company, if at least one of the parameters of significance specified in para. 1.1 exceeds the threshold of 2.5%.

1.3. Pursuant to the Procedure, transactions that fall below the quantitative thresholds of significance listed above are still RPTs of Greater Significance if, given their nature, strategic importance, size or commitments, they have a significant impact on the activities of the Company or the Group, or might affect the operational autonomy of the Company (“**Transactions of Strategic Significance**”).

1.4. In the case of several transactions combined together pursuant to art. 5, para. 2 of the RPT Regulations, the Company first determines the significance of each Transaction with reference to the parameter or parameters indicated in para. 1.1 that apply to it. In order to check if the thresholds envisaged in paras. 1.1 and 1.2 are exceeded, the results relating to each parameter are then added together.