



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

**Independence criteria**

**Document approved by the Board of Directors of Pirelli & C. S.p.A. on 7 May**  
**2026**

## 1.1. Introduction

The Board of Directors of Pirelli & C. S.p.A. ("**Pirelli**" or the "**Company**") has a number of independent directors who normally make up the absolute majority of its members.

Pirelli believes that, for the management body to carry out its duties effectively, it is essential to have an appropriate number of independent directors, both on the Board of Directors and on its Committees, as well as adherence to the diversity criteria set out in the Diversity and Independence Statement adopted by the Board of Directors of Pirelli on 14 February 2019<sup>1</sup>.

The Board of Directors defines Director independence as the absence of any relationships with the Company and/or its major shareholders and managers that could potentially affect their judgement. Such independence is represented by the requisites indicated in the combined provisions set out in Articles 147-*ter*, paragraph 4, and 148, paragraph 2, of Legislative Decree No. 58 of 24 February 1998 (the "**TUF**"), as well as the provisions of the Corporate Governance Code for listed companies approved by the Corporate Governance Committee (the "**Corporate Governance Code**"), which Pirelli has adopted.

A regular review of independence is also required for the members of the Board of Statutory Auditors.

Also in light of the recommendations provided by the Corporate Governance Committee of Borsa Italiana<sup>2</sup>, the Board of Directors of Pirelli deems it appropriate to adopt, at the proposal of the Audit, Risks and Corporate Governance Committee, this statement on independence, in order to establish:

- *ex ante*, in the context of the procedure for assessing the independence of its members, the qualitative/quantitative criteria to be used to assess the independence of the directors for the purposes of the Corporate Governance Code and, in particular, the relevant parameters of any economic, professional or financial relationship pertaining to the directors whose independence is being examined, without prejudice to the fact that in assessing the independence of one of its members, the Board of Directors (upon the appointment and as part of the periodic checks) must adopt an approach that favours substance over form;

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<sup>1</sup> For completeness, note that on 22 June 2020, the Board of Directors of Pirelli adopted the aforesaid Diversity and Independence Statement, updated to take account of the new legislation on gender balance.

<sup>2</sup> Letter dated 19 December 2019 - "The Committee invites the administrative bodies to apply the criteria of independence defined by the Code with greater rigour, and the control bodies to monitor the correct application of said criteria. The Committee, in addition to reiterating the exceptional nature and necessary individual motivation – therefore linked to the particular case of the individual director – of the derogation from each criterion of independence recommended by the Code, invites the issuers to pay greater attention to the assessment of the significance of the relationships subject to assessment. To this end, the Committee invites the administrative bodies to define *ex ante* the quantitative and/or qualitative criteria to be used for the significance assessment of the relationships in question. These criteria should concern the overall position, not merely limited to the economic benefit, of the director whose independence is under assessment, and be adequately and transparently disclosed to the market in the report on corporate governance".

Letter dated 22 December 2020 - "On application of independence criteria, the Committee invites boards to:

- always justify on an individual basis any non-application of one or more independence criteria;
- establish *ex ante* the quantitative and/or qualitative criteria to be used to assess the significance of relationships being examined."

- cases of derogation from the independence criteria;
- the process for assessing the independence of the Directors;
- the process for assessing the independence of members of the Board of Statutory Auditors.

## 1.2. Independence criteria

Pursuant to the combined provisions of art. 147-ter, paragraph 4 and art. 148, paragraph 2 of the TUF, the following cannot qualify as independent directors<sup>3</sup>:

- a) spouses, other parties to a civil partnership, relatives up to the fourth degree of kinship, relatives by marriage up to the second degree of kinship and cohabiting partners of the directors of the Company; directors, spouses, other parties to a civil partnership, relatives up to the fourth degree of kinship, relatives by marriage up to the second degree of kinship and cohabiting partners of the directors of its subsidiaries, parent companies and companies under joint control;
- b) persons connected to the Company or to its subsidiaries or to its parent companies or to companies under joint control, or to the directors of the Company and to the persons referred to in point a) by self-employment or employment relationships, or by other financial or professional relationships that compromise their independence, provided that the mere fact of holding offices in the control bodies of subsidiaries of the Company, of its parent companies, or of companies under joint control does not in itself constitute grounds for ineligibility or forfeiture of office.

In addition to the aforesaid criteria strictly required by the TUF, recommendation no. 7 of the Corporate Governance Code identifies a number of hypotheses in which a director does not usually appear to be independent. Specifically, it is stipulated that:

*“The circumstances that jeopardise, or appear to jeopardise, the independence of a director are at least the following:*

- a) *if he or she is a significant shareholder of the company;*
- b) *if he or she is, or was in the previous three financial years, an executive director or an employee:*
  - *of the company, of its subsidiary having strategic relevance or of a company subject to joint control;*
  - *of a significant shareholder of the company;*
- c) *if he or she has, or had in the previous three financial years, a significant commercial, financial or professional relationship, directly or indirectly (for example through subsidiaries, or through companies of which he or she is an executive director, or as a partner of a professional or a consulting firm):*
  - *with the company or its subsidiaries, or with their executive directors or top management;*

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<sup>3</sup> Please note that, pursuant to Article 148, paragraph 2 of the TUF, individuals, who fall within the circumstances set out in Article 2382 of the Italian Civil Code, governing the grounds for ineligibility and disqualification applicable to all directors, may not be appointed as members of the supervisory body and, if appointed, shall be removed from office.

- *with a subject who, also together with others through a shareholders' agreement, controls the company; or, if the control is held by a company or another entity, with its executive directors or top management;*
- d) *if he or she receives, or received in the previous three financial years, from the company, one of its subsidiaries or the parent company, significant remuneration other than the fixed remuneration for the position held within the board and for the membership in the committees recommended by the Code or required by law;*
- e) *if he or she has served on the board for more than nine years, even if not consecutive, of the last twelve years;*
- f) *if he or she holds the position of executive director in another company whereby an executive director of the company holds the office of director;*
- g) *if he or she is a shareholder, quota-holder or director of a company or other legal entity belonging to the network of the external auditor of the company;*
- h) *if the Director concerned is a close family member of a person who finds themselves in one of the situations described in the preceding points.*

*The board of directors defines ex ante, at least at the beginning of its mandate, the quantitative and qualitative criteria for assessing the significance of the situations set forth above in letters c) and d). If the director is also a partner in a professional or a consulting firm, the board of directors assesses the significance of the professional relationships that may have an effect on his or her position and role within the professional or the consulting firm and in any event those pertaining to important transactions of the company and the group it heads, even regardless of the quantitative parameters.”*

For the purposes of assessing the independence criteria indicated by the Corporate Governance Code, the Board of Directors of Pirelli considers “close family members” to be parents, children, spouses not legally separated, the other party to a civil partnership and cohabitants.

Pirelli’s Board of Directors has identified the quantitative and qualitative criteria for assessing the materiality referred to in points c) and d) of Recommendation No. 7 of the Corporate Governance Code, as set out below.

A “**significant commercial, financial or professional relationship**”, as referred to in point c), is taken to include consultancy engagements or any other type of assignment - other than non-executive directorships held within the group (which are relevant only for assessing significant additional remuneration under the criteria set out below) which have generated, unless waived, an average gross annual remuneration over the previous three financial years exceeding:

- (a) 300,000 euros in the case of remuneration paid to (i) companies, undertakings, or entities in which, during the term of office, the director, statutory auditor or close family member holds a controlling interest or acts as a key manager; or (ii) professional firms, associations or consultancy firms in which, during the term of office, the director, statutory auditor or close family member is a partner, associate or member;

- (b) 150,000 euros in the case of remuneration paid to the director, statutory auditor or close family member in connection with direct dealings with them.

It is understood that, regardless of whether the quantitative thresholds set out above are exceeded, where a director is a partner in a professional firm, a member of a professional association, or a partner in a consultancy firm, any professional relationship with that firm may be deemed significant by the Board of Directors - and therefore liable to impair the director's independence - if it could influence their position or role within the firm, professional association or consultancy firm, or if it concerns material transactions of the Company and/or the group.

The notion of "**significant additional remuneration**" referred to in point d), is understood to include the gross annual remuneration accrued, unless waived, by a director, statutory auditor or close family member of the person whose independence is being assessed, from a subsidiary or direct or indirect parent company of Pirelli, in each relevant financial year, where such remuneration exceeds the threshold indicated above for determining the significance of commercial, financial or professional relationships maintained directly with the director, statutory auditor or close family member. Remuneration for the Position at Pirelli is excluded from the calculation of significant additional remuneration.

**"Remuneration for the Position at Pirelli"** means: (i) the remuneration granted by the Shareholders' Meeting and/or the Board of Directors for serving as a non-executive director or as a member of the Board of Statutory Auditors; (ii) any annual remuneration awarded in connection with a specific non-executive role held by the individual non-executive director on the Board of Directors (such as Chairman, Vice-Chairman or Lead Independent Director); and (iii) any annual remuneration received by an individual non-executive director or member of the Board of Statutory Auditors for taking part in board committees established under the Corporate Governance Code or in committees/bodies required by applicable law, including any participation by directors or statutory auditors in the supervisory body, excluding in any case any remuneration deriving from participation in any executive committees.

Exceeding the above thresholds is generally considered sufficient to preclude, in principle and subject to any specific circumstances assessed on a case-by-case basis, compliance with the independence requirements set out in the Corporate Governance Code by the non-executive director under review.

### **1.3. Derogations from the independence criteria**

Any derogation from the independence criteria set out in the Corporate Governance Code is considered, by the Company, to be an exceptional measure. Therefore, in the event of a derogation: (i) the assessment must look at the overall position of the directors involved and cannot be limited to an analysis of the economic benefit enjoyed by them,

and (ii) any non-application of one or more independence criteria must always be justified on an individual basis.

Having made these statements, in the aforesaid hypothesis of derogation from the criteria of independence set out in the Corporate Governance Code, the Board of Directors, having taken account of existing legislation and the related guidelines issued by Consob, shall assess (by formulating specific individual motivations to that effect) at least:

- the specific relevance of the relationships in question, including in light of the economic/financial situation of the party involved;
- the personal qualities and professional experience gained throughout the career; and
- the administrative and control appointments held in other companies.

The existence of one or more of these elements could, including in light of the individual director's overall position, make it possible to rule out compromised independence even in the presence of derogation from the criteria of independence set out in the Corporate Governance Code or other applicable legislation.

In formulating its assessment, the Board of Directors shall apply the principle of substance over form indicated by the Corporate Governance Code.

As specified in more detail in section 1.4 below, in the aforesaid hypothesis consideration shall be taken of the non-application of the Corporate Governance Code in the Report on the Corporate Governance and Share Ownership, by providing adequate and transparent information about the reasons for the non-application of one or more criteria pertaining to the individual director and by specifying the reasons for this with individual justification.

#### **1.4. Process for assessing the independence of directors**

Directors who present as independent, when the slates are submitted: (i) issue a specific statement confirming that they meet the independence requisites indicated by the combined provisions of art. 147-ter, paragraph 4 and art. 148, paragraph 2 of the TUF and by the Corporate Governance Code, and (ii) provide a *curriculum vitae* relating to their professional experience (containing, possibly as an attachment, a list of the administrative and control offices held) as well as exhaustive information about any connection or circumstance pertaining to them that is potentially relevant for the purposes of assessing independence.

Following appointment, during the mandate, the independent directors must notify the Company (i) without delay, of any change to the aforementioned information, provided when the slates were submitted, as well as any other circumstance that appears liable to impact the director's independence; and (ii) at least annually, (a) of the details of the offices held in the administrative and control bodies of companies (attesting under their own responsibility that the overall number of these offices does not exceed the limit

indicated in the “*Board of Directors’ guidance on the maximum number of offices*” adopted by the Company), and (b) of confirmation that they meet the independence requisites.

On the basis of the aforesaid statements and other information that the Company may have, the Board of Directors of Pirelli assesses the independence of the directors at the first useful meeting following the appointment, and subsequently, whenever relevant circumstances for the purposes of continuing to meet the independence requirements arise and in any case at least annually.

The Board of Statutory Auditors of the Company, as part of the tasks attributed to it by law, verifies the correct application of the criteria and the ascertainment procedures adopted by the Board of Directors to assess the independence of its non-executive members.

The results of the aforesaid independence assessments are disclosed to the public immediately following the appointment via press release and subsequently in the Report on the Corporate Governance and Share Ownership (or, alternatively, with reference to the results of assessments conducted by the Board of Statutory Auditors, in the report by the supervisory body to the Shareholder’s Meeting) or in other specific press releases or documents. In these hypotheses, (i) specific indication will be provided of the criteria used for the assessment of the significance of the existing relationships, and (ii) if a director has been assessed as independent despite the existence of circumstances that could, in theory, compromise that independence, a clear and reasoned motivation for this decision will be provided in relation to the position and individual characteristics of the director involved.

#### **1.5. Process for assessing the independence of members of the supervisory body**

Sections 1.2, 1.3 and 1.4 above also apply, *mutatis mutandis*, in relation to the assessment of the independence of the members of the supervisory body, without prejudice to the information provided below.

This assessment is carried out by the Board of Statutory Auditors on the basis of the information provided by each Auditor when appointed, during the mandate when relevant circumstances for the purposes of independence arise and in any case at least annually.

The independence assessment is sent in the appropriate formats and time frames to permit the Board of Directors to examine it before public disclosure or insertion of the related information in the Report on the Corporate Governance and Share Ownership.