



PRESS RELEASE

Milan, 18 June 2023 - Pirelli & C. S.p.A. ("**Pirelli**") announces that, in relation to the "Golden Power Procedure" that, as communicated by the Company on 5 April 2023, was launched in relation to the renewal of the shareholder agreement signed on 16 May 2022 by China National Tire & Rubber Corporation Ltd. ("**CNRC**"), Marco Polo International Italy S.r.l., Camfin S.p.A. ("**Camfin**") and Marco Tronchetti Provera & C. S.p.A. (the "**Shareholder Agreement**"), on 16 June 2023 it received notification of the measures with which the Cabinet exercised its special powers in accordance with legislative decree 21/2012 (the "**Measures**"). The Cabinet took into consideration that the Measures indicated below have the aim of preparing a network of measures operating to protect the autonomy of Pirelli and its management, as well as the protection of technologies and information of strategic importance possessed by the Company.

The Cabinet, in adopting the Measures, took into consideration, among other things, that the technology of importance for the purposes of legislative decree 21/2012 represents part of the economic activity of Pirelli and the risks connected with it require supervision of a structural nature regardless of the temporariness of the shareholder agreement, as well as any change to the corporate governance of Pirelli, including the failed renewal or stipulation of the Shareholder Agreement, should be the object of notification in accordance with legislative decree 21/2012.

In particular, the Measures call for the imposition of the following specific limitations with regard to CNRC:

- (i) Respect the commitment to not exercise activities of direction or coordination as detailed below, intended only as examples and not exhaustive:
- Ensure the full autonomy of Pirelli with regard to the management of relationships with clients and suppliers;
 - Guarantee that Pirelli autonomously prepares strategic, industrial, financial plans and/or the budget for the Company and the Group;
 - Guarantee that Pirelli is not subject to instructions on the part of the Sinochem Group;
 - Not adopt acts, decisions or communication that could make it seem that the decisions of Pirelli are the consequence of the impositions and imperatives of CNRC;
 - Not centralize treasury services or other functions of financial assistance or coordination (eg. cash pooling) nor other technical functions of coordination (eg. integration of Pirelli's information systems with those of Sinochem Holdings Corporation Ltd., including those of the Chinese subsidiaries of Pirelli);
 - Not issue directives or instructions, and in any case not coordinate initiatives, concerning decisions in financial and credit matters and in matters of Pirelli's research and development;
 - Not issue directives with regard to the fulfillment of extraordinary operations by Pirelli, such as, for example, listings of financial instruments, acquisitions, disposals, concentrations, conferrals, mergers, spin-offs, etc.;

- Not adopt determining decisions with regard to the operational strategies of Pirelli nor formulate strategic directives for the group;
 - Guarantee the absence of organizational-functional links between Pirelli on the one hand and CNRC on the other;
- (ii) Commit in order that the Chief Executive of Pirelli, taken from the majority list, is indicated by Camfin and that, as a consequence, of the 12 Directors of Pirelli, taken from the majority list, 4 shall be designated by Camfin;
 - (iii) Commit to the introduction, similar to the Shareholder Agreement signed on 1 August 2019, of the role of General Manager, to whom shall be delegated the power to implement the business plan, budget and ordinary management of Pirelli;
 - (iv) Commit so that all the delegated Organs of Pirelli shall be identified exclusively from among the designated Administrators of Camfin;
 - (v) Commit so that the power of nomination and revocation of Directors and deputy directors of Pirelli shall be deferred, in accordance with article 11.9, of the Pirelli bylaws, to the Executive Vice Chairman or the Chief Executive;
 - (vi) Commit, together with Pirelli, so that the Bylaws shall be modified in such a manner that, in relation to the advisory resolutions related to assets of strategic importance as well as the nomination and revocation of the offices of managers with strategic responsibility (key managers of Pirelli), the proposal shall be reserved for the Chief Executive and any contrary decision to the same can only be adopted with the vote at least 4/5 of the Board of Directors.

In addition, the imposition of the following specific limitations was decided with regard to Pirelli:

- a. see to it that the Bylaws shall be modified in such a manner that, in relation to board decisions relating to assets of strategic importance as identified above as well as the nomination and revocation of the offices of managers with strategic responsibility (key managers of Pirelli), the proposal will be reserved for the Chief Executive and any decision contrary to the same can be adopted only with the vote of at least 4/5 of the Board of Directors.
- b. refusal of any request that goes beyond the normal exercise of the prerogatives of shareholders as well as activating any managerial or organization initiative that may come from subjects traceable to the Chinese State-owned Assets Supervision and Administration Commission of the State Council (SASAC), with particular reference to requests regarding:
 - the sharing of information referring to technologies covered by private industry rights, intellectual property rights or, however, any information connected to the know-how linked to these technologies, also in the development phase;
 - the centralized treasury mechanism managed by the company Sinochem Holding Corporation Ltd.;
 - the direct access to managerial or administrative information systems, including the Enterprise Resource Planning (ERP) platform of Pirelli & C. S.p.a. and of the Companies controlled by it, including Chinese subsidiaries;
 - the transfer of goods, systems and ICT services of the Companies of the Pirelli & C. S.p.a. group residing in infrastructures outside of the territories in which European jurisprudence applies and/or managed by subjects traceable to the Chinese government;

- the transfer to or sharing with subjects traceable to the Chinese government of any data gathered by or processed through CYBER technology.

The measures with which the Prime Minister's Office exercised its special powers also give Pirelli a series of instruments for the protection of assets of strategic importance, including a clearance for strategic industrial security which entails limits to accessing information. The company Pirelli, in addition, shall institute an autonomous organizational security unit.

The activation of the limitations will be monitored by the Ministry for Companies and Made-in-Italy. Pirelli is required to send to the Ministry, within 30 days of the approval of the year's results, beginning with those referring to 2023, a report prepared by the Audit Committee, communicating the measures adopted in observance of the determinations assumed with these Measures and any other company or corporate measure of relevance to the same.

The next Board of Directors meeting will take stock of the limitations mentioned above and will proceed to call a new shareholders meeting for the renewal of the administrative body and the preparatory works for the modification of the Bylaws required by the Measures.

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