

Shareholders agreement communicated pursuant to Art. 122 of Legislative Decree n. 58 of February 24, 1998 (“TUF”) – Essential information pursuant to Art. 130 of Consob Regulation no. 11971/1999, as subsequently amended and supplemented (“Issuers Regulation”)

**PIRELLI & C. S.P.A.**

**1. Recitals**

On 16 May 2022, China National Chemical Corporation Limited (“CC”), China National Tire & Rubber Corporation, Ltd. (“CNRC”), CNRC International (HK) Limited (“SPV HK1”), Fourteen Sundew S.à r.l. (“SPV Lux”), Marco Polo International Italy S.r.l. (“MPI Italy”), Camfin S.p.A. (“CF”) and Marco Tronchetti Provera & C. S.p.A. (“MTP”) executed an agreement for the renewal of the shareholders agreement signed on August 1, 2019 and effective as of April 28 2020, between CC, CNRC, Silk Road Fund Co. Ltd., SPV HK1, CNRC International Holding (HK) Limited, SPV Lux, MPI Italy, CF and MTP (the “Renewal Shareholders Agreement”), aimed at setting, among other things, the governance of Pirelli & C. S.p.A. (“Pirelli” or the “Company”). The Renewal Shareholders Agreement shall become effective upon the calling notice of the Pirelli shareholders meeting for the approval of the balance sheet of the Company as at December 31, 2022. Until that date, the provisions of the aforementioned shareholders' agreement signed on August 1, 2019 disclosed to the public in accordance with the law, shall remain valid and effective.

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The essential information of the Renewal Shareholders Agreement relating to Pirelli are described herein-below.

**2. Company having financial instruments subject to the Renewal Shareholders Agreement**

Pirelli & C. S.p.A., with registered office in Milan, Viale Piero e Alberto Pirelli no. 25, VAT, fiscal code and registration number at the Companies' Register of Milano-Monza-Brianza-Lodi 00860340157, having, as at today, a share capital equal to Euro 1,904,374,935.66, fully paid-in, divided into No. 1,000,000,000 ordinary shares with no par value.

**3. Parties adhering to the Renewal Shareholders Agreement**

The parties adhering to the Renewal Shareholders Agreement (the “Parties”) are the following:

- China National Chemical Corporation Limited, a company incorporated under the laws of the People's Republic of China, having its registered office in Beijing (People's Republic of China), no. 62 West Beisihuan Road, Haidian district, *controlled by Sinochem Holdings Corporation Ltd.*, a state-owned enterprise subject to the control of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) of the People's Republic of China;
- China National Tire & Rubber Corporation, Ltd., a company incorporated under the laws of the People's Republic of China, having its registered office in Beijing (People's Republic of China), no. 62 West Beisihuan Road, Haidian district, wholly controlled by CC;
- CNRC International (HK) Limited, a company incorporated under the laws of Hong Kong (People's Republic of China), with registered office at RMS 05-15, 13A/F South Tower World Finance CTR Harbour City, 17 Canton RD TST KLN, Hong Kong (People's Republic of China), wholly controlled by CNRC;

- Fourteen Sundew S.à r.l., a company incorporated under the laws of the Grand Duchy of Luxembourg, with registered office in Luxembourg (Grand Duchy of Luxembourg), Rue Hildegard von Bingen, L-1282, wholly controlled by SPV HK1;
- Marco Polo International Italy S.r.l., a company incorporated under the laws of Italy, with registered office in Via San Primo 4, Milan (Italy), Italy, wholly controlled by SPV Lux;
- Camfin S.p.A., a company incorporated under the laws of Italy, with registered office in Milan (Italy), Via Larga 2, controlled by MTP; and
- Marco Tronchetti Provera & C. S.p.A., a company incorporated under the laws of Italy, with registered office in Via Bicocca degli Arcimboldi 3, Milan (Italy), controlled by Mr. Marco Tronchetti Provera.

#### 4. Percentages and number of financial instruments subject to the Renewal Shareholders Agreement

The Renewal Shareholders Agreement is related to all the ordinary shares of Pirelli directly and indirectly owned by the Parties. The following table shows the participations held by the Parties as of today.

<i>Shareholder</i>	<i>Number of the contributed Pirelli ordinary shares</i>	<i>% on the overall issued Pirelli ordinary shares</i>	<i>% on the overall contributed Pirelli ordinary shares</i>
Marco Polo International Italy S.r.l.	370,150,000	37.015	72.421
Camfin S.p.A.	140,959,399	14.096	27.579
<b>Total</b>	<b>511,109,399</b>	<b>51.111</b>	<b>100.000</b>

#### 5. Content of the Renewal Shareholders Agreement

##### 5.1 Corporate Governance of Pirelli

###### 5.1.1 General Principles

With the Renewal Shareholders Agreement MTP and CNRC confirmed the governance principles already expressed in the previous shareholders agreements aimed at continuing the Pirelli's business and entrepreneurial culture by leveraging on the management retention in the long run and inspired by the best international practice of listed companies. For this reason, MTP and CNRC acknowledged the pivotal role of the current top management. On this, MTP and CNRC acknowledged the fundamental role of Mr. Marco Tronchetti Provera as Executive Vice Chairman of Pirelli in leading the top management of Pirelli ("**Management**") and ensuring the continuity of the Pirelli's business culture also through a leading role in the identification of Giorgio Bruno as the new Pirelli CEO.

###### 5.1.2 Board of Directors of Pirelli

The Renewal Shareholders Agreement provides that the Board of Directors of Pirelli to be appointed on the date of the approval of the balance sheet of the Company as at December 31, 2022 shall remain in office for a period of three financial years until the date of approval of the balance sheet of the Company as at December 31, 2025, shall be composed of up to 15 members, 8 of whom independent and shall be appointed through a

slate-voting mechanism which shall ensure the following composition: 3 directors will be designated by the minority slates and 12 directors by the majority slate, at least 5 of whom to be independent. In particular the slate to be presented by CNRC will include:

- Mr. Marco Tronchetti Provera, 1 non-independent candidate and 1 independent candidate designated by MTP;
- 9 candidates including the Pirelli Chairman and Mr. Giorgio Bruno, to cover the role of Pirelli CEO, to be designated by CNRC;
- 3 additional independent candidates at position 13, 14 and 15 of the slate to be designated by CNRC.

All independent directors of Pirelli shall have the requisites of independence prescribed for directors of listed companies by Law and by the Corporate Governance Code.

Should a director designated by the majority slate, resign or otherwise cease for any reason whatsoever to hold his/her office, the replacement shall be indicated by the relevant designating party of such director.

Moreover, should it be necessary to appoint a new board of directors during the Term (as defined below), CNRC will deposit a slate in accordance with Pirelli By-laws and vote (or cause to be voted, as the case may be) in the shareholders' meeting called for the appointment of the new board of directors, in favor of such slate. In this respect, the Parties also agree to negotiate in good faith possible governance changes should non-foreseeable events occur having a material impact on the value of Pirelli (provided that CNRC maintains the right to consolidate Pirelli).

MTP undertakes to cause CF to vote in favor of the list presented by CNRC.

### 5.1.3 Matters reserved to the Board of Directors of Pirelli

The Renewal Shareholders Agreement provides that any resolutions concerning the following matters, to be implemented by Pirelli and/or any other company (including any foreign unlisted company) which is subject to Pirelli's management and coordination power but excluding intercompany transactions, shall be subject to the approval of the Board of Directors of Pirelli; it is further agreed and understood that such matters shall be subject to the approval of the Board of Directors of Pirelli not only if the relevant threshold amount specified for each of such matters has been met, but also if any of the matters from (i) to (ix), as a single act or series of coordinated acts (performed in the context of a common executive program or strategic project) exceeds the annual budget/business plan or (only with respect to items from (i) to (viii) below) is not included in or listed or covered in the annual budget/business plan:

- (i) the receiving and granting of loans having a value exceeding Euro 200,000,000 and having a duration exceeding 12 months;
- (ii) the issuance of financial instruments to be listed on regulated European or non-European markets having a value exceeding Euro 100,000,000 and their delisting;
- (iii) the issuance of guarantees in favour of third parties for amounts exceeding Euro 100,000,000, it being understood that the issuance of guarantees in the interest of third parties other than the Company, its subsidiaries and its joint ventures shall be subject, in any case, to the approval of the Board of Directors of Pirelli;
- (iv) the entering into derivative agreements (a) having a notional value exceeding Euro 250,000,000, and (b) other than those which have as sole purpose and/or effect the hedging of corporate risks (e.g., hedging of interest rates, hedging of exchange rates, hedging of raw materials). The entering into

speculative derivative agreements shall be subject, in any case, to the approval of the Board of Directors of Pirelli;

- (v) the acquisition or sale of control or connection shareholdings in other companies having a value exceeding Euro 40,000,000 which entail the entering (or exiting) geographic and/or commodities markets;
- (vi) the acquisition or sale of shareholdings other than those described in point (v) above for amounts exceeding Euro 40,000,000;
- (vii) the acquisition or sale of businesses or business divisions having a strategic importance or, however, a value exceeding Euro 40,000,000;
- (viii) the acquisition or sale of assets or of other activities having a strategic importance or, however, a total value exceeding Euro 40,000,000;
- (ix) the investment in fixed assets of a total value exceeding Euro 40,000,000;
- (x) the entering into material transactions with related parties, to be intended as such those transactions which satisfy the conditions set out under the "Procedure for Related-Party Transactions" approved by Pirelli's board of directors;
- (xi) the definition of Pirelli's general policy on remuneration;
- (xii) the determination, in compliance with Pirelli's internal policies and the applicable laws, of the remuneration of managing directors and of those directors who are vested with special offices and, where required, the allocation among the members of the board of directors of the aggregate remuneration approved by the shareholders' meeting;
- (xiii) the approval of strategic, industrial and financial plans of Pirelli and its group;
- (xiv) the adoption of the rules for the corporate governance of Pirelli and definition of the group's corporate governance guidelines;
- (xv) the definition of the guidelines of the internal control system, including the appointment of a director responsible for supervising the internal control system, defining his tasks and powers;
- (xvi) any other matter which should be vested with the competence of the board of directors of a listed company pursuant to the corporate governance code of Borsa Italiana, as amended from time to time.

#### 5.1.4 Pirelli Chairman

Pursuant to the Renewal Shareholders Agreement, CNRC and MTP agreed that the Pirelli Chairman shall have the power to legally represent the Company, as well as all the other powers granted to the Chairman according to the current by-laws of Pirelli, without prejudice to the powers and prerogatives of the Board of Directors.

#### 5.1.5 Pirelli Executive Vice Chairman

Pursuant to the Renewal Shareholders Agreement, CNRC and MTP agreed that Mr. Marco Tronchetti Provera will be the Pirelli Executive Vice Chairman. The Pirelli Executive Vice Chairman shall be delegated (i) the power and authority concerning the general strategies of the Company (also with respect to the Pirelli Significant Matters indicated below) and (ii) the supervision on the implementation by the Pirelli CEO and the Management of the business plan. The Pirelli Executive Vice Chairman shall also be delegated powers related to liaising with shareholders, institutional investors and media, as well as the power to propose to the Board of Directors of Pirelli (i) the removal of the Pirelli designated CEO and (ii) his replacement with a new CEO (or the appointment of a new CEO should the previous CEO cease from his/her office for whatever reason).

#### 5.1.6 Pirelli CEO – Significant Matter

Pursuant to the Renewal Shareholders Agreement, CNRC and MTP agreed that Mr. Giorgio Bruno is designated to be the new Pirelli CEO. The Pirelli CEO shall be delegated the power to propose – in coordination with the Pirelli Executive Vice Chairman – to the Board of Directors the adoption of the following resolutions :

- (i) approval of the business plan and the annual budget of Pirelli and its group of companies and any material amendments thereto. Such business plan and the annual budget shall (a) cover operating and financing matters of Pirelli, including, but not limited to, all funding to finance the said business plan and annual budget, as well as the decisions related to operating assets underlying the business plan and annual budget; and (b) be equipped with adequate and appropriate supporting schedules explaining the items in the business plan and annual budget. In this respect, CNRC and MTP agree that Pirelli will adopt challenging business plans of Pirelli in comparison with the peers (a) by leveraging on its unique positioning in the tire industry and on its strategy in the High Value segment and (b) by profiting from the opportunities coming from the growth of this segment in China where Pirelli is leader and worldwide;
- (ii) continue to analyze the opportunities offered by the market to create value in the interest of all the Pirelli's stakeholders and continue to evaluate and analyze, in the best interest of Pirelli and taking also into account the goal to efficiently manage the advisory fees, the opportunity of a possible dual listing of the Company in other markets, including the Chinese market on the basis of the strategy of Pirelli in Chinese market to which Pirelli attaches high importance;  
  
and
- (iii) any resolution concerning industrial partnerships or strategic joint ventures of Pirelli and/or any company controlled, controlling or under common control of Pirelli, subject, in any case, to the prior examination and discussion in the Strategies Committee of Pirelli.

The resolutions upon the matters referred to points (i), (ii) and (iii) above (the “**Significant Matters**”) will be reserved to the Pirelli Board of Directors and/or shareholders’ meeting of Pirelli, as the case may be. In particular, the approval and/or amendment of the budget and/or the business plan of Pirelli and its group will always remain within the competences of the Board of Directors. Furthermore, CNRC and MTP have agreed that, with respect to the Significant Matters, any possible decision taken in the Pirelli Board of Directors against the relevant proposal submitted to the Board by the Pirelli CEO shall be motivated and shall in any case take into account the best interest of Pirelli.

In addition the Pirelli Board of Directors shall continue to be reserved, upon proposal of the Pirelli Executive Vice Chairman, on the appointment and removal from office of the key managers (“*dirigenti con responsabilità strategica*”) of Pirelli as identified pursuant to the relevant internal procedure of Pirelli already in place, namely: (i) the General Manager (if any), (ii) the Manager charged with preparing the Company’s financial and corporate reports; (iii) all positions currently to be defined as Executive Vice President and (iv) the Company’s secretary.

The Pirelli CEO shall be delegated with the power and authority concerning (i) the implementation of the business plan and the budget – under the supervision of the Pirelli Executive Vice Chairman – and (ii) the ordinary management of Pirelli and of the Pirelli group – with the exclusion of the powers which shall be reserved to the Pirelli Board of Directors–, and with the limitations of the list of matters of the Board of Directors of the Company set out under paragraph 5.1.3 above.

The Pirelli CEO – under the supervision of the Pirelli Executive Vice Chairman – shall inform the Strategies Committee at least quarterly and on the basis of a complete and adequate information flow – pursuant to the

procedure adopted by the Company in this respect – so to allow the Strategies Committee: (i) to monitor and evaluate the achievements of the Management in the implementation of the business plan; and (ii) to propose to the Board any proper action and/or the adoption of any possible correction for the best and successful implementation of such business plan.

#### 5.1.7 Resolutions of the shareholders' meeting

The Renewal Shareholders Agreement confirms once again that (i) Pirelli's technological know-how shall remain in the ownership of Pirelli and shall not be transferred to third parties (except for the licenses granted at arm's length and for the renewal, extension, amendment and/or review of what already agreed and executed as of October 1, 2017 and confirmed pursuant to the shareholders agreement entered into on August 1, 2019, with respect to the use of said technological know-how in the industrial sector); and (ii) the operating and administrative headquarters of Pirelli shall remain in Milan.

Moreover, the Renewal Shareholders Agreement provides once again the confirmation that the resolutions of the extraordinary shareholders' meetings of Pirelli relating to Pirelli's technological know-how and/or the operating and administrative headquarter shall be taken with a majority of 90% of the ordinary share capital.

#### 5.1.8 Management of Pirelli

The Renewal Shareholders Agreement provides that the Management will benefit of the value creation at the level of Pirelli, through challenging incentive mechanisms (also including a stock option plan with cash settlement option for Pirelli) to be developed on the basis of a long term incentive plan according to the best international market practice. The Pirelli's Management – under the supervision of Pirelli CEO, in coordination with the Pirelli Executive Vice Chairman and the Board of Directors – shall be in charge of the day-to-day management of Pirelli, of the implementation of the business plan and of the recruitment and growth of key personnel of Pirelli and its group, except the appointment and removal from office of the key managers of Pirelli indicated above (to be resolved by the Board of Directors as indicated above) under the supervision of the Remuneration Committee and the Committee for the Appointment and Succession as applicable.

#### 5.1.9 Internal Committees of the Board of Directors

CNRC and MTP agreed and acknowledged that Pirelli constituted internal committees and procedures in line with the best practice of international and Italian listed companies, with a significant role attributed to the independent directors.

Pursuant to the Renewal Shareholders Agreement, it is provided that the internal committees of the Company are composed as follows:

- (i) Internal Control and Risks Committee, composed of 5 directors, of which: (a) 2 designated by CNRC, of which 1 independent (with the role of Chairman of the committee), (b) 2 independent directors designated by the Pirelli Executive Vice Chairman and (c) 1 independent designated by the Board of Directors among the Minority Directors, provided that such director is evaluated by the Board of Directors skilled and professionally fit for the relevant role;
- (ii) Related Parties Transactions Committee, composed of 3 independent directors, of which: (a) 1 designated by CNRC (acting as Chairman), (b) 1 designated by the Pirelli Executive Vice Chairman, and (c) 1 independent designated by the Board of Directors among the Minority Directors, provided that such director is evaluated by the Board of Directors skilled and professionally fit for the relevant role;

- (iii) Strategies Committee, composed of 8 directors, of which: (a) the Pirelli Executive Vice Chairman, who shall be the chairman of the Strategies Committee, and 1 director designated by the Pirelli Executive Vice Chairman, (b) the Pirelli CEO, (c) 3 non-executive directors designated by CNRC, (c) 1 independent director chosen by CNRC and (d) 1 independent director designated by the Board of Directors among the Minority Directors;
- (iv) Committee for the Appointment and Succession, composed of 4 directors, of which: (a) the Pirelli Executive Vice Chairman, who shall chair the Committee for the Appointment and Succession (and shall have the casting vote) and 1 director designated by the Pirelli Executive Vice Chairman; and (b) 2 directors designated by CNRC;
- (v) Remuneration Committee, composed of 5 directors, of which: (a) 1 independent director designated by the Pirelli Executive Vice Chairman, (b) 1 non-executive director chosen by CNRC, and (c) 2 independent directors designated by CNRC (among which, the chairman of the Remuneration Committee) and (c) 1 independent director designated by the Board of Directors among the Minority Directors; and
- (vi) Sustainability Committee, composed of 4 directors, of which: (a) the Pirelli Executive Vice Chairman (with the role of Chairman of the committee), (b) 1 non-executive director designated by CNRC, (c) the Pirelli CEO and (d) 1 independent director designated by the Board of Directors among the Minority Directors.

## **5.2 Term and termination of the Renewal Shareholders Agreement**

### **5.2.1 Term**

The provisions of the Renewal Shareholders Agreement shall become effective upon the calling notice of the Pirelli shareholders meeting for the approval of the balance sheet of the Company as at December 31, 2022, and will expire after 3 years from such date (the “**Term**”).

### **5.2.2 Automatic Termination**

Notwithstanding the above, all the rights and prerogatives granted to MTP and CNRC and to Mr. Marco Tronchetti Provera with respect to Pirelli are subject to (i) Mr. Marco Tronchetti Provera and/or his heirs directly or indirectly, during the Term, maintaining the Control over CF and (ii) CF directly or indirectly maintaining during the Term a stake in the share capital of Pirelli that shall not fall below the 10% of Pirelli share capital, to be calculated with respect to the Pirelli share capital at the signing date of the Renewal Shareholders Agreement, without taking into account any subsequent extraordinary transaction concerning or having an impact on the share capital of Pirelli; otherwise the Renewal Shareholders Agreement shall automatically terminate.

## **6. Control**

Pursuant to Article 93 of the Consolidated Financial Act, the control over Pirelli is exercised by MPI Italy, which is, in turn, *de jure* controlled by CNRC (a company ultimately controlled by Sinochem Holdings Corporation Ltd.). Furthermore, the Renewal Shareholders Agreement provides that Pirelli shall not be subject to the management and coordination activity pursuant to Article 2497 et seq. of the Italian Civil Code by CNRC or its subsidiaries or controlling entities.

## **7. Type of shareholders agreement**

The provisions set forth in the Renewal Shareholders Agreement are relevant pursuant to Article 122,

paragraphs 1 and 5, letter a), of the Consolidated Financial Act.

**8. Bodies of the Renewal Shareholders Agreement**

The Renewal Shareholders Agreement does not provide for any relevant body.

**9. Penalties in case of failure to comply with the obligations**

The Renewal Shareholders Agreement does not provide for any penalty in case of failure to comply with the obligations set forth therein.

**10. No obligation to file shares**

The Renewal Shareholders Agreement does not provide any obligation to file the shares of the Company contributed to the same.

**11. Office of Companies Register**

The Renewal Shareholders Agreement has been filed on 17 May 2022 at the Companies Register of Milano–Monza–Brianza–Lodi.

**Milan, 17 May 2022**