



Pirelli & C. S.p.A.

Regulations on the functioning of the Board of Directors

Approved by the Board of Directors on 22 June 2020

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REGULATIONS ON THE FUNCTIONING OF THE BOARD OF DIRECTORS of Pirelli & C. S.p.A.

INTRODUCTION

The rules of functioning of the Board of Directors (hereinafter also the “**Board**”) of the company Pirelli & C. S.p.A. (hereinafter “**Pirelli**” or the “**Company**”), including the means for recording the minutes of the meetings and the procedures for providing information to directors, in compliance with the laws and regulations, by the Bylaws, the recommendations of the Corporate Governance Code and by these Regulations.

ART. 1 – COMPOSITION

- 1.1 If the Shareholders' Meeting has not already done so, the Board, at its first meeting, shall elect a Chairman, and if necessary a Vice Chairman, from among its members.
- If the Chairman is absent, unable to attend or so requests, the Board of Directors meeting shall be chaired, in order, by the Vice Chairman, the Chief Executive Officer, where appointed, or by another director designated by the Board.
- 1.2 The Board of Directors may appoint the Lead Independent Director; in any case it shall make such an appointment when requested by the majority of the independent directors.
- 1.3 Where appointed, the Lead Independent Director:
- (i) collects and coordinates the requests and contributions of non-executive directors and, in particular, of independent ones;
 - (ii) coordinates the meetings of the independent directors.
- 1.4 The Board of Directors may establish one or more committees with propositional and consultative functions, also for the purpose of bringing the corporate governance structure into line with the recommendations issued from time to time by the pertinent authorities. The functioning of the committees shall be governed by specific regulations.

ART. 2 - MEETINGS

- 2.1 As a rule, the Board shall meet at least 6 times a year and is usually convened at the Company’s registered offices on the calendar dates approved annually or upon the initiative of the Chairman or the person acting in his/her place each time it is deemed appropriate, or when the Chief Executive Officer so requests in writing or by one fifth of the Directors in office.
- Pursuant to art. 12.2 of the Bylaws, the Board of Directors can also be convened by the Board of Statutory Auditors, or by a single Standing auditor, subject to prior notice given to the Chairman of the Board of Directors.
- 2.2 Remote participation at Board meetings shall be permitted through the use of suitable systems in accordance with art. 12.6 of the Bylaws.

- 2.3 Without prejudice to provisions regarding pre-meeting information, in view of each Board meeting, the Chairman and/or Vice Chairman, with the support of the Secretary, shall ensure that Directors and Statutory Auditors are provided with all the information necessary for them to be properly informed about the matters to be discussed. The documentation to be examined by the Board shall be sent well in advance, and as a rule ten days prior to the meeting unless specific requirements do not allow this: in such cases, the documentation shall be sent as soon as it is available. Where the Chairman and/or Vice Chairman deems it appropriate, in exceptional cases and motivated by urgency, the documentation can be provided directly at the meeting.
- 2.4 The information provided shall be supplemented and, where deemed appropriate, replaced by information provided during the board meeting, thereby ensuring Directors make informed decisions.
- 2.5 The Chairman and/or Vice Chairman may invite the top management of the Company to attend the meetings in order to provide the appropriate in-depth analyses of the items on the agenda. Persons external to the Company may also be invited to attend the meetings for specific reasons. It is understood that such subjects shall in any case be required to comply with the confidentiality obligations laid down for board meetings.
- 2.6 The order of discussion of the items on the agenda shall be established by the chairman of the meeting, which may vary with respect to the order indicated in the call notice.
- 2.7 Board meetings shall be held in the Italian language. Considering the international composition of the Board, the participants shall have access to a simultaneous translation service in the languages commonly spoken by the foreign Directors. The Company shall provide Directors whose nationality is not Italian, depending on the cases, with a courtesy translation, at least in English, of the support documentation for board meetings.
- 2.8 An audio recording of Board meetings shall be made in order to facilitate the recording of the minutes; said recording shall be destroyed thereafter once the minutes have been transcribed in the applicable corporate register.

ART. 3 – THE SECRETARY

- 3.1 The Chairman and/or Vice Chairman shall use a Secretary for the convocation, organisation, conduct and documentation of Board meetings.
- 3.2 The Secretary shall be appointed by the Board of Directors, which shall also assess whether the candidate has the appropriate professional requirements.
- 3.3 In accordance with the internal procedure approved by the Board, the Board Secretary qualifies as a key manager.
- 3.4 The Board Secretary supports the activities of the Chairman and/or Vice Chairman and provides impartial assistance and advice to the board of directors on all aspects relevant to the proper functioning of the corporate governance system. In particular, the Secretary shall support the Chairman and/or Vice Chairman of the Board of Directors, in order to ensure that:

- a) the pre-meeting information is accurate, complete and clear and the complementary information provided during meetings allows directors to act in an informed manner;
 - b) the activities of the board committees are coordinated with the activities of the Board of Directors;
 - c) the top management of the Company and of companies of the same Group may participate in board meetings, as well as the heads of the company departments in order to provide appropriate updates on the items on the agenda;
 - d) after their appointment and during the mandate of the board, all Directors may participate in specific induction activities;
 - e) the board evaluation is adequate and transparent.
- 3.5 The Secretary of the Board of Directors shall provide Directors with independent legal advice and assistance on corporate governance matters and in relation to their rights, powers, duties and obligations to ensure the regular performance of their duties.
- 3.6 The Secretary, in performing the duties of this role, shall have an organisational structure and personnel fit to perform the assignment.

ART. 4 - PRE-MEETING INFORMATION

- 4.1 The documentation supporting the Board meetings shall be prepared by the relevant company department and thereafter brought to the attention of each Director and Statutory Auditor as a rule through a specific IT application managed by the Board Secretary, ensuring access is reserved for Directors and Statutory Auditors.
- 4.2 The Chairman and/or Vice Chairman, assisted by the Secretary, shall ensure Directors have an adequate flow of information on the items on the agenda of board meetings and any follow-ups to the resolutions passed by the board, as well as in relation to the general performance of operations and their foreseeable development in order to allow them to act in an informed way when performing their role, also taking into account the provisions of the “Procedure for information flows to Directors and Statutory Auditors” adopted by the Company pursuant to article 150, first subsection of Legislative Decree no. 58 of 24 February 1998.

ART. 5 – RECORDING OF THE MINUTES

- 5.1 The discussions, resolutions passed, as well as any dissent or vote against of the Directors must be recorded in the minutes, drawn up in Italian and signed by the chairman of the meeting and the Secretary of the meeting.
- 5.2 As a rule, the minutes shall be sent to Directors and Statutory Auditors in draft form as soon as they are available for any remarks, which shall be collected by the Board Secretary. To this end the Company shall make a courtesy translation in English of the draft minutes available to foreign Directors and, within the limits of feasibility and in the shortest time possible, in the language commonly spoken by them.

- 5.3 Once the text of the minutes has been supplemented, if necessary, with any remarks received by the Board Secretary by the deadline indicated in the transmission notice, the final version of the minutes shall subsequently be transcribed in the specific corporate register.
- 5.4 The supporting documentation made available to the Directors and Statutory Auditors, where not annexed to the minutes, shall be retained among the Company's records, at least until the end of the board's mandate.
- 5.5 Part of the minutes, relating to the resolutions adopted that require immediate execution, may be certified and extracted by the chairman of the meeting or by the Secretary, also pending completion of the drafting process and the subsequent transcription of the same minutes in line with the provisions of article 12 of the Bylaws.
- 5.6 Any copies of and extracts from minutes that have not been drawn up by a notary public shall be certified as true copies by the Chairman, the chairman of the meeting or the Secretary.

ART. 6 – CONFIDENTIALITY

- 6.1 Directors and Statutory Auditors who participate in board meetings shall be required to observe the confidentiality obligations regarding documents and the information acquired in performing their duties, with the prohibition of using them for purposes other than the pursuit of company activities.
- 6.2 Directors and Statutory Auditors shall be subject to specific obligations and prohibitions deriving from access to internal information, above all when it qualifies as insider information, in accordance with the methods laid down in the Market Abuse Procedure, as well as in compliance with current provisions issued by Consob.
- 6.3 The Company's relationships and relations with the outside shall be reserved for Directors assigned this task, within the limits of the powers conferred on them by the Board. The remaining Directors and Statutory Auditors shall be expressly prohibited from commenting externally, including to the press, on the activities and resolutions of the corporate bodies without the explicit authorisation of the Chairman and/or the Vice Chairman.
- 6.4 It shall be the responsibility of the Chairman and/or Vice Chairman, with the support of the Board Secretary, to identify the most suitable operating methods to strike a balance between the requirements of the accessibility, confidentiality and integrity of the information and documentation relating to the board activities. As a rule this shall take place following the electronic procedures indicated in paragraph 4.1 above, except for specific requests or requirements, which shall be carefully assessed by the Secretary.

ART. 7 – BOARD EVALUATION

- 7.1 The Board of Directors, at least once a year, shall assess the size, composition and functioning of the Board itself and of its Committees, considering the possibility of obtaining the assistance of an external independent consultancy firm. The Company shall inform the market of this

assessment in the Report on the Corporate Governance and Share Ownership, considering the possibility of also disclosing information relating to the outcome of the assessment.

ART. 8 - BOARD INDUCTION

- 8.1 With the support of the Board Secretary, the participation of Directors after their appointment and during the mandate, in the most appropriate forms, in initiatives aimed at providing them with adequate knowledge of the industry in which the Company operates, the company dynamics and their evolution, the risk management issues, as well as any relevant part of the regulatory and self-regulatory framework, shall be encouraged.

ART. 9 – CALENDAR OF CORPORATE EVENTS

- 9.1 In compliance with the obligations laid down for listed issuers in the Regulation for Markets of Borsa Italiana S.p.A., once a year the Board shall approve the dates of the Board meetings to approve the draft financial statements and the periodic financial reports, as well as the date set for the Shareholders' Meeting to approve the financial statements for the year, which are to be announced to the market without delay and in any case by the deadline of the thirtieth of January of each year.

ART. 10 – FINAL PROVISIONS

- 10.1 The Board of Directors shall periodically check the adequacy of these Regulations and is responsible for updating and amending them if need be.
- 10.2 It is understood that, unless otherwise specified in these Regulations, the provisions of the Bylaws on the functioning of the Board of Directors shall apply.