



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

**Reports to the Shareholders' Meeting of 28  
May 2024**

**Appointment of the external auditor of the accounts for the nine-  
year period 2026-2034 and determination of the related  
remuneration.**

**(item 3 on the agenda)**

**Illustrative report drawn up by the Directors pursuant to Article 125-ter of Italian Legislative Decree no. 58 of 24 February 1998 as subsequently amended and supplemented, approved by the Board of Directors on 6 March 2024.**

Dear Shareholders,

Considering that:

- The engagement of the external auditor conferred for the financial years running from 2017 to 2025 by the Shareholders' Meeting of Pirelli & C. S.p.A. ("**Pirelli**" or the "**Company**") on the auditing firm PricewaterhouseCoopers S.p.A. ("**PWC**") on 1 August 2017, in accordance with Italian Legislative Decree no. 39/2010, as subsequently amended and supplemented (the "**Decree**") and Regulation (EU) no. 537/2014, will expire with the approval of the financial statements at 31 December 2025;
- in accordance with art. 17 of the Decree, such engagement to perform the statutory auditing of the accounts cannot be renewed or re-conferred on the outgoing external auditor until at least 4 (four) financial years have passed from the end date of the previous engagement;
- pursuant to art. 13 of the Decree "*... the shareholders' meeting, on a reasoned proposal of the supervisory body, shall appoint the statutory auditor or the statutory auditing company and determine the amount payable to them for the entire duration of the engagement and any criteria for the adjustment of this amount during the engagement*";
- in accordance with art. 5, paragraph 1 of Regulation (EU) no. 537/2014, the new external auditor is prohibited from supplying certain services even during the financial year immediately prior to the start of the period under audit and, therefore, from 1 January 2025 (the "cooling-in period"), namely the services of "*design and implementation of internal control and risk management procedures relating to the preparation and/or control of financial reporting, or design and implementation of technological systems for financial reporting*";
- the Board of Statutory Auditors, as "Internal Control and Accounts Auditing Committee" in accordance with applicable regulations, and the competent Pirelli structures, following what is now consolidated standard practice by major listed Italian companies, in order to allow the new external auditor to comply with the "cooling-in period" and considering the possibility of fostering contact between the outgoing auditor and the future auditor, consequently benefiting the Company in terms of quality and continuity of service (also taking into account the dimensions and complexity of the Pirelli Group), have considered it best to start the procedure for the engagement of the new independent auditing firm for the financial years running from 2026 to 2034 in good time, in line with best practices, well ahead of the end date of the engagement, submitting the proposal to confer the new statutory auditing engagement of the accounts to the Shareholders' Meeting convened for 28 May 2024, without prejudice to the fact that the effect of the new engagement shall run

from when the current engagement for performing the statutory audit of the accounts ceases and, precisely, from approval of the annual financial statements as at 31 December 2025.

The Board of Statutory Auditors has therefore acted in all ways necessary to formulate its justified recommendation to the Shareholders' Meeting - in compliance with the provisions of European Community and national *pro tempore* regulations in force - attached to this report as Annex A, relating to the conferral of the engagement to perform the statutory auditing of the accounts for the nine years 2026-2034 (the “**Justified Recommendation of the Board of Statutory Auditors**”). More specifically, the Justified Recommendation of the Board of Statutory Auditors sets forth the criteria applied in the procedure used to choose the new external auditor and the elements useful to pass the relevant resolutions (subject of the engagement, economic component, commitment in terms of hours and mix of professional skills on the auditing team, etc.), finally specifying to the Shareholder’s Meeting their justified recommendation.

In this regard, it is noted that art. 16 of Regulation (EU) No 537/2014 states that the Justified Recommendation of the Board of Statutory Auditors shall contain at least two choices for the audit engagement and the audit committee shall express a duly justified preference for one of them.

The Board of Directors has therefore convened the Shareholders' Meeting to confer - on the basis of the Justified Recommendation of the Board of Statutory Auditors - the statutory audit engagement on a new external auditor, which shall have a term of nine years (2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033 and 2034), determining the related price and criteria for its adjustment throughout the engagement.

For the sake of completeness, note that as part of the selection process and as highlighted in the Justified Recommendation of the Board of Statutory Auditors, the Company has also obtained a specific quotation for certain additional activities that may well become necessary in the future, for which a specific appointment will be conferred on the external auditor chosen by the Shareholders' Meeting.

The Company has also included amongst the activities that the appointed auditing firm will be called to carry out, also the activities relating to the issue of the certification of conformity of the sustainability report that the Company will need to prepare in compliance with the transposition decree by Italy of Directive (EU) 2022/2464 (the “Corporate Sustainability Reporting Directive”, abbreviated to “CSRD”), no later than 6 July 2024. The quotation for these activities is included in the price proposed by the auditing firms involved in the selection process.

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Dear Shareholders,

on the basis of the foregoing explanations, the Justified Recommendation of the Board of Statutory Auditors (attached as Annex A to this report and which also contains the text of the proposed resolution), in regard to item 3 on the agenda, we would ask you to resolve, in accordance with European Community and national *pro tempore* regulations in force on the conferral of the engagement to perform the statutory auditing of the accounts of Pirelli for each of the nine financial years running from 2026 to 2034, establishing the relevant remuneration and any criteria for its adjustment.



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**JUSTIFIED RECOMMENDATION OF THE BOARD OF STATUTORY AUDITORS  
- AS THE INTERNAL CONTROL AND AUDIT COMMITTEE - FOR THE  
APPOINTMENT OF THE EXTERNAL AUDITOR FOR THE PERIOD 2026-2034  
PURSUANT TO ARTICLE 13 OF ITALIAN LEGISLATIVE DECREE NO. 39/2010  
AND ARTICLE 16, PARA. 2 OF REGULATION (EU) NO. 537/2014**



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Dear shareholders,

The appointment of the external auditor conferred for the nine-year period 2017-2025 by the Shareholders' Meeting of Pirelli & C. S.p.A.<sup>1</sup> ("**Pirelli**" or the "**Parent Company**" or the "**Company**") on the auditing firm PricewaterhouseCoopers S.p.A. will expire with the approval of the financial statements at 31 December 2025. Pursuant to the cooling-off obligation provided for by Article 17, paragraph 1 of Italian Legislative Decree no. 39/2010<sup>2</sup>, said firm may not be re-appointed for the same role.

The Board of Statutory Auditors and the relevant internal departments of Pirelli - in line with best practices, to meet the need to comply with the principle of independence of the Principal Auditor, as required under the provisions of Regulation (EU) No. 537/2014 (the "**Regulation**") and to facilitate the rotation between the outgoing auditing firm and the future auditor with consequent benefits for the Company in terms of quality and continuity of service - agreed it was appropriate to start the selection process, in advance, for the new auditor for the nine-year period 2026-2034. Considering the international dimensions of the Pirelli Group and the relative needs, and taking into account the now consolidated best practice of starting the external auditor selection process well in advance of the deadline, the circumstances determined by the "*cooling-in period*" provided for under Article 5, paragraph 1 of the Regulation to safeguard the independence of the external auditors and, as anticipated, the possibility of facilitating a more efficient "handover" of the audit activities, were also taken into consideration.

Accordingly, on 16 October 2023, the Board of Statutory Auditors reached agreement with the Company's offices on the selection process for the external auditor for the period 2026-2034 ("**Selection Process**"), by adopting a procedure that defined the subject matter, as well as the manner in which the selection process would be carried out, the requirements for participation and the assessment criteria, divided into the stages described below:

- **Pre-selection Procedure:** pre-selection of the auditing firms to be invited to participate in the selection process called by the Parent Company - identified on the basis of transparent and non-discriminatory criteria - for the assignment of the appointment as external auditor;
- **Pre-selection and bid assessment phase:** assessment by the relevant bodies of the Parent Company of the technical proposals and related economic bids received from the auditing firms identified as a result of

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<sup>1</sup> The Shareholders' Meeting of Pirelli & C. S.p.A. of 1 August 2017 appointed PricewaterhouseCoopers S.p.A., with effect from 4 October 2017 (date on which the Company's shares were listed on the Stock Exchange), to audit the financial statements and the consolidated financial statements of the Company for the financial years 2017 to 2025 as well as the condensed half-year consolidated financial statements of the Company for the half-year periods ending 30 June of the financial years 2018 to 2025.

<sup>2</sup> The appointment as external auditor has a duration of nine financial years for auditing firms and seven financial years for external auditors. The appointment may not be renewed or conferred again unless at least four financial years have elapsed since the termination of the previous appointment.



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the Pre-selection Procedure and that agreed to participate in the selection process initiated by the Parent Company, conducted on the basis of transparent and non-discriminatory criteria; and

- **Selection of the Principal Auditor:** preparation of a justified recommendation by the Board of Statutory Auditors with at least two possible alternatives for the conferral of the external auditing appointment and the expression of a preference, to be submitted to the Shareholders' Meeting of the Parent Company called to resolve on the conferral of the external auditing appointment to the auditing firm (the "**Principal Auditor**") by the Parent Company and its Italian and foreign subsidiaries and associates (the "**Companies within the Audit Scope**").

The Selection Process covered the following activities:

- **Audit activities**, relating to the audit of the annual and half-year consolidated financial statements of the Pirelli Group, as well as the audit of the separate financial statements of the parent company Pirelli & C. S.p.A. and of the Companies within the Audit Scope for the financial years ending 31 December 2026 to 31 December 2034, as detailed below:
  - audit of the financial statements, separate for Pirelli and consolidated for the Group, pursuant to Article 14 of Legislative Decree No. 39/2010, as subsequently amended and supplemented ("**Decree**") and pursuant to Article 10 of Regulation;
  - compulsory or voluntary external audit of the financial statements of Group companies;
  - formulating an opinion on the consistency of the Management Report and certain specific information contained in the Report on the Corporate Governance and Share Ownership indicated in Article 123-*bis*, paragraph 4, of Legislative Decree no. 58/98, as subsequently amended and supplemented, with the financial statements;
  - verification of preparation of the Remuneration Report;
  - additional report required by Art. 11 of the Regulation;
  - Audit of the annual reporting packages of the Group companies;
  - audit of the Group's consolidated half-year financial report pursuant to Consob Communication No. 97001574 of 20/2/1997 performed in accordance with the criteria for limited auditing recommended by Consob in Resolution No. 10867 of 31 July 1997;
  - audit of the half-year reporting packages of Group companies for the purposes of the Group's consolidated half-year financial report;
  - verification of the regular and correct recording of the accounts of the Group's Italian companies during the course of the financial year (pursuant to Article 14(1)(b) of the Decree);
  - signing and checking of tax declarations (770 Simplified/Ordinary, 'Unico', IRAP, National Consolidated) of the Group's Italian companies;



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- review of the consolidated non-financial disclosure pursuant to Legislative Decree 254/16 (as subsequently amended and supplemented also in light of the Corporate Sustainability Reporting Directive (i.e. (EU) Directive 2022/2464); and
- check of the English translation of the above-mentioned audited documents if an audit certificate in that language is required.
- **Additional activities**, not included in the Audit activities, for which the Company obtained an estimate during the selection process; these are assignments that, should Pirelli so require, must, by practice or on the basis of legal provisions or other regulatory sources, including those deriving from administrative authorities, be assigned to the auditing firm appointed as external auditor:
  - audit of Pirelli's reporting package for the purpose of consolidation by the parent company;
  - drafting of Comfort Letters on capital transactions of Group companies, in relation to bonds issued by Pirelli and/or Group companies or on Pirelli's EMTN programme;
  - the issuance of a Tax Certificate upon verification of the compliance of the Greek subsidiary Elastika Pirelli CSA with the provisions of the tax law on tax items, for the purpose of compliance with national Law no. 4987/2022;
  - certification of Tax Credits for Research and Development activities of Pirelli Tyre S.p.A. pursuant to Article 3 of Italian Law Decree no. 145 of 23 December 2013, converted by Law no. 9 of 21 February 2014, as amended and supplemented;
  - additional attestations of data included in the Report on Responsible Management of the Value Chain not subject to audit; and
  - review of the report prepared pursuant to Article 2433-*bis* of the Italian Civil Code for the distribution of any interim dividends of Pirelli Tyre S.p.A..
- Participants in the selection process were also asked if they would be willing to carry out any specific **additional activities that may be necessary in the future**, such as, but not limited to:
  - verification and certification activities resulting from application of the Global Minimum Tax (“Pillar 2”) regulations; and
  - certification of subsidiaries' non-financial disclosures for the application of local regulations.

As part of the Selection Process, participants were also asked to accept the following economic conditions:

- the fees are to be considered fixed and invariable for the duration of the assignment, subject to progressive annual efficiency and adjustment of the fees for a percentage of the annual inflation rate;
- any economic variations will only be taken into account if there is a change in the scope, including variations occurring between the date of the selection process and the start of the assignment, and in particular:



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- inefficiencies will not be accepted;
- a fee review will only be accepted in the event of a change/issue of new accounting standards with a significant and documented impact on Group companies.

Please note that Pirelli adopts the “group auditor” principle, according to international practice for groups of similar size to those of Pirelli, in order to avoid any financial or other inefficiencies which could arise if the task of auditing the Companies with the Audit Scope were assigned to auditing firms other than the Principal Auditor<sup>3</sup>.

### I. Pre-selection Procedure

The Board of Statutory Auditors, with the help of the Chief Financial Officer and the Purchasing department, defined - in particular taking into account the structure of the Group and the stock market listing of the Parent Company - the list of auditing firms to be invited to the selection procedure, based on their:

- a) international presence with direct geographical coverage; and
- b) network expertise in auditing companies listed on the Euronext Milan market and the FTSE-MIB index;

(collectively, the “**Pre-selection Requirements**”).

On 26 October 2023, the Chief Financial Officer - with the support of Pirelli's Purchasing department and after sharing with the Board of Statutory Auditors the qualitative and quantitative assessment criteria to be followed for the purposes of the preliminary investigation and assessment of the technical proposals and the related economic bids - launched the selection process for the appointment through a specific platform, inviting Deloitte & Touche S.p.A., EY S.p.A, KPMG S.p.A. and BDO Italia S.p.A. (the “**Participating Firms**”) to submit a technical and economic bid for the performance of the services covered by the assignment as the Group's Principal Auditor.

All the Participating Firms expressed their interest in participating in the selection process for the appointment and made a bid within the deadline stated in the tender documentation made available to them through the specific portal. Together with the bid, the Participating Firms were also asked to indicate any existing professional appointments/services between the Participant Firm (including other companies belonging to the same network) and the Parent Company and/or the Companies within the Audit Scope, indicating the absence of causes of incompatibility with the auditing activities and/or in any case prejudicial to independence. The Participating Firms also undertook to discontinue, in the event of appointment, the performance of any ongoing services provided to

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<sup>3</sup> Note that auditing activities relating to subsidiaries in Russia will be entrusted to a local auditing firm, external to the Participating Companies' network and therefore not included in the bids under evaluation.



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the Group that are incompatible with the audit appointment as of 1 January 2025, for activities falling within the cooling-in period.

## II. Preliminary stage and assessment of bids

Following the receipt of the technical proposal and the related economic bid by the Participating Firms, the assessment of the submitted technical-economic bids commenced, according to the principles of transparency and non-discrimination and the assessment criteria summarised below in this opinion, defined by the Chief Financial Officer, with the support of the Purchasing department and agreed on by the Board of Statutory Auditors.

As part of this activity, the Board of Statutory Auditors used the support of the relevant internal departments of Pirelli, which participated in dedicated meetings held in December 2023 with the Participating Firms for the presentation of bids to Pirelli.

To facilitate a clearer and fuller understanding of the information provided by each Participant Firm in its offer, a detailed and exhaustive "analysis grid" was drafted, acting as a guide for the Purchasing department to identify any elements to be further investigated during interviews with the Participant Firms and any potential additional documentation to be requested.

Throughout the selection process, the Board of Statutory Auditors was constantly updated on the progress and qualitative-quantitative assessments carried out on the basis of the assessment criteria summarised below, described in detail in Appendix 1 of this recommendation:

### Assessment criteria

	Assessment criteria	Points	Voting methods
Technical assessment	a) audit activity	30	Rating from 0 (min) to 5 (max)
	b) professional quality of the firm and audit professionals	30	
	c) NFD professional quality and limited audit activity	10	
	d) management of their independence	5	
Commercial assessment	e) commercial and contractual structure of the Bid with ON/OFF condition (attainment of a set minimum score for the above technical criteria)	25	Mathematical criterion* on economic bid (23 points). Contractual part (2 points) rating from 0 to 5.
		100	



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Based on the initial results of the qualitative-quantitative assessments carried out on the technical proposals and related economic bids submitted by all Participating Firms and taking into account the on/off condition, the Board of Statutory Auditors admitted three Participating Firms (*shortlist*) to the next selection phase: Deloitte & Touche S.p.A., EY S.p.A., KPMG S.p.A..

Therefore, assessments of the three shortlisted firms continued and in February 2024 the Board of Statutory Auditors met with representatives of the shortlisted firms and was able to appreciate the high professional level of each of them.

Thereafter, the Board of Statutory Auditors, with the support of the Chief Financial Officer, the Corporate General Manager, the EVP Sustainability, New Mobility and Motorsport and the SVP Quality Value Chain (the “**Technical Committee**”), completed the analysis of the technical-qualitative and quantitative aspects of the bids, with the help of the “analysis grid” which resulted in a higher score for EY S.p.A. and KPMG S.p.A. than for Deloitte & Touche S.p.A..

On 29 February 2024, at the end of the analysis, the Board of Statutory Auditors expressed its preference for EY S.p.A. for the reasons set out below.

### III. Selection of the Principal Auditor

At the end of the selection process and assessment of the technical-qualitative and quantitative aspects of the bids received, EY S.p.A. was awarded a score of 95 (ninety-five) and KPMG S.p.A. 86 (eighty-six).

Therefore, the Board of Statutory Auditors expressed its preference for EY S.p.A. mainly for the following reasons:

- the proposals of both companies are in line with expectations for the audit approach and the risks identified are appropriate to the business and how the Group operates. In addition, both proposals involve a high use of data analytics tools and the centralisation of some audit activities in support of foreign teams compatible with the Group's structure and appropriate to ensure efficiency in the conduct of audits in Italy and abroad. The weight given to continuous auditing is important to EY S.p.A. and the proposal it submitted included the early involvement of foreign teams in order to anticipate any financial statement and audit issues already in the half-yearly report;
- both companies provide direct geographic coverage in all countries where the Group operates and consolidated experience of the central and foreign teams in auditing tyre companies and listed companies. EY S.p.A.'s differentiation in the mix of resources was particularly appreciated, with its professional mix providing for greater involvement of senior figures in the audit of the parent company Pirelli & C. S.p.A.



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as it is deemed to have more complex issues than its subsidiaries. This proposal is fully in line with the Group's centralised approach to analysing and resolving material and complex accounting issues affecting all subsidiaries. For the remaining companies within the audit scope, EY S.p.A. planned a mix of resources in line with the regulator's recommendations. As a result, EY S.p.A. submitted a more competitive economic bid in terms of hourly rates and more total hours.

EY S.p.A.'s proposal for the year 2026 with reference to the Audit Activities is for a fee of 2,700 thousand euros, with 183 thousand euro pertaining to the parent company Pirelli & C. S.p.A. and 2,517 thousand euro pertaining to the Companies within the Audit Scope, while KPMG S.p.A.'s proposal for the Audit Activities amounts to 3,241 thousand euro, with 287 thousand euro pertaining to the parent company Pirelli & C. S.p.A. and 2,954 thousand euro pertaining to the Companies within the Audit Scope. Details of the aforementioned fees as well as the estimated hours for each activity are set out below.

Audit activity	EY		KPMG	
	Fees	Hours	Fees	Hours
Audit of the financial statements including verification of the regular keeping of the company's accounts, tax declarations, translation into English as at 31/12	35	350	38	310
Audit of the consolidated financial statements	31	310	35	280
Audit of the interim consolidated financial statements	24	240	26	210
Audit of the Non-Financial Disclosure	93	1,035	188	1,500
<b>Total Pirelli &amp; C. S.p.A.</b>	<b>183</b>	<b>1,935</b>	<b>287</b>	<b>2,300</b>
Companies within the audit scope	2,517	32,225	2,954	30,830
<b>Total proposed audit activity Pirelli Group</b>	<b>2,700</b>	<b>34,160</b>	<b>3,241</b>	<b>33,130</b>

In relation to the fees indicated above, a partial annual adjustment will be applied for inflation, which will vary within a proposed range of between 80% and 100% of the annual inflation rate specific to each country. In addition, an annual adjustment for agreed efficiencies will be applied, which will vary within a proposed range of between 0.8% and 2.3%, as of 2027.

EY S.p.A., in addition to having accepted all the economic conditions proposed by Pirelli, formulated an overall proposal for the nine-year period which is more competitive.

The scoring calculation was based on the supplier's estimate for 2026 cumulated over the nine-year period, applying the adjustments mentioned above agreed with the supplier. The mathematical formula used is as follows:



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“lowest cumulative price (2026-2034) of the tendering companies/price of the auditing firm being evaluated \* 23 points awardable”.

Both estimates already include the estimated fee for the activities that the auditing firm will be required to carry out to certify the compliance of the sustainability reporting that Pirelli will have to prepare in accordance with the decree for the transposition by Italy of (EU) Directive 2022/2464 (the Corporate Sustainability Reporting Directive, CSRD for short), which must be completed by 6 July 2024.

In addition to the fees there are out-of-pocket expenses, contributions (social security, Consob or other supervisory authorities) and VAT.

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In light of the foregoing, the Board of Statutory Auditors has drafted this proposal - which pursuant to Article 16, paragraph 2, of the Regulation must contain at least 2 (two) possible conferment alternatives and must expressly indicate a duly justified preference for one of the alternatives contained therein - so that the Shareholders' Meeting may resolve on the conferment of the appointment for the nine-year period 2026/2034.

### **Justified recommendation of the Board of Statutory Auditors operating as the Internal Control and Audit Committee**

That being said, the Board of Statutory Auditors

- on the basis of the procedure carried out, the technical proposals and related economic bids received, as well as the assessments of the technical-qualitative and quantitative aspects carried out and their outcomes;
- taking into account that Article 16, paragraph 2, of the Regulation (EU) no. 537/2014 provides that the justified recommendation of the Board of Statutory Auditors must contain at least two possible alternatives and at the same time express a duly justified preference for one of them;

#### **PROPOSES**

to the Shareholders' Meeting of Pirelli & C. S.p.A. to appoint EY S.p.A. or KPMG S.p.A. as the external auditor, alternatively, for the financial years 2026-2034, and of the two it

#### **EXPRESSES ITS PREFERENCE**

for EY S.p.A., since the company submitted a technical proposal and a related economic bid that obtained the highest score when assessing the technical-qualitative and economic aspects pursuant to the assessment criteria identified by the Board of Statutory Auditors. EY S.p.A. therefore appears to be the most suitable auditing firm to perform the appointment preferentially for the reasons stated above.



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The Board of Statutory Auditors, pursuant to Article 16, paragraph 2, of Regulation (EU) 537/2014, declares that this proposal has not been influenced by third parties and no clause, as referred to in the relevant paragraph 6 of the aforementioned Article 16, between the Company and a third party aimed at restricting the choice of the general shareholders' meeting has been applied.

Therefore, Pirelli's Board of Statutory Auditors proposes that the Shareholders' Meeting pass the appropriate resolutions as indicated below.

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Dear Shareholders,

On the basis of the Justified Recommendation of the Board of Statutory Auditors, and

- having noted that with the approval of the financial statements as at 31 December 2025 by the Shareholders' Meeting of Pirelli, the appointment of the external auditor conferred on the auditing firm PricewaterhouseCooper S.p.A. by the Shareholders' Meeting for the period 2017-2025 will expire;
- having noted that the selection procedure adopted by the Board of Statutory Auditors meets all the requirements provided for by Legislative Decree No. 39/2010, as subsequently amended and supplemented, and by Regulation (EU) No. 537/2014;
- having noted that Article 16 of Regulation (EU) No. 537/2014 provides that the Justified Recommendation of the Board of Statutory Auditors must contain at least two possible alternatives for the appointment and that it must also indicate - with justification - the auditing body's preference for one of them;

We invite you to resolve, in accordance with the applicable regulations,

- a) on the conferral of the appointment as Pirelli's external auditor for each of the nine financial years from 2026 to 2034:
  1. principally, to the firm EY S.p.A., with registered offices in Milan, which obtained the highest approval of the Board of Statutory Auditors since it was deemed most suitable to perform the assignment at the end of the selection procedure carried out with adequate technical and economic criteria;
  2. alternatively, and should the Shareholders' Meeting decide not to appoint the firm EY S.p.A., to the firm KPMG S.p.A., with registered offices in Milan, which came second in the approval of the Board of Statutory Auditors, also considered a suitable party for the performance of the aforesaid assignment;



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under the terms and for the fees set out in the Justified Recommendation of the Board of Statutory Auditors, which also indicates the criteria for adjusting the fees;

- b) the granting of the mandate to the Executive Vice Chairman and to the Chief Executive Officer, severally, with the right to delegate to third parties, to implement this shareholders' resolution, also through proxies and with the broadest powers necessary and/or appropriate.

Milan, 13 March 2024

For the Board of Statutory Auditors

Riccardo Foglia Taverna

(Chairman)



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## ANNEX 1

### ASSESSMENT CRITERIA

1. **Audit Activities**: how the audit activity is carried out in terms of (i) methodology for auditing the financial statements, including the identification of risks and complex financial statement issues, (ii) coordination of the audit teams that will audit the statutory financial statements and reporting packages of the subsidiaries, (iii) the operational tools used, (iv) acceptance of a continuous auditing approach, with early involvement in accounting and non-financial issues arising from the accounting standards, standards, regulations and/or new activities;
2. **Professional quality of the firm and of the audit professionals**: professional quality of the firm and of the audit professionals which will be assessed considering, but not limited to, the presence of the offices belonging to the network of the auditing firm located in the countries where the companies of the Group are based, the professional experience of the teams involved in international companies and/or in the tyre sector which apply IAS/IFRS and the continuity of the senior figures for the duration of the appointment;
3. **NFD professional quality and limited audit activity**: experience in the audit of non-financial disclosures, technical expertise in sustainability reporting including expected regulatory developments and direct involvement in technical tables for their definition (e.g. EFRAG, IASB, TCFD, TNFD) and continuity of the senior figures for the duration of the appointment;
4. **Management of their independence**: tools used for management and monitoring to verify their independence;
5. **Commercial and contractual structure of the economic bid**: acceptance of the general conditions and criteria for adjusting the annual fee proposed by the Company.