



Pirelli & C. S.p.A.

**Report on the remuneration policy and
compensation paid**

(Report approved by the Board of Directors of Pirelli & C. S.p.A. on 28 April 2025)

REPORT ON THE REMUNERATION POLICY AND COMPENSATION PAID

PREAMBLE

This report on the remuneration policy and the compensation paid (the “**Report**” or the “**Remuneration Report**”), approved by the Board of Directors on 28 April 2025, on a proposal from the Remuneration Committee, subject to the opinion of the Board of Statutory Auditors, is divided into two sections:

- Section I: “Remuneration Policy” for FY 2025 (the “**2025 Policy**” or the “**Policy**”) and
- Section II: “Report on Compensation Paid” in FY 2024 (the “**2024 Compensation Report**” or the “**Compensation Report**”).

The Report is prepared in accordance with Art. 123-*ter* of the Consolidated Law on Finance (“**TUF**”), as amended and supplemented by Art. 3 of Italian Legislative Decree no. 49 of 10 May 2019 (the “**Decree**”), as well as art. 84-*quater* and Scheme 7-*bis* of Annex 3A to the Consob regulation no. 11971 of 14 May 1999 on issuers, as subsequently amended (the “**Issuers’ Regulation**”).

For the purposes of the Report, due consideration was given to the European Commission recommendations on the remuneration of directors of listed companies, as well as to the recommendations on remuneration adopted by the Corporate Governance Code, to which Pirelli adheres, as well as the more recent recommendations of the Corporate Governance Committee on remuneration.

The Policy has also been drafted in accordance with and for the effects of Pirelli Related Party Transactions Procedure (the “**RPT Procedure**”).

The 2025 Policy submitted for the binding vote to the Shareholders’ Meeting called to approve the financial statements for the year ended 31 December 2024 pursuant to art. 123-*ter* TUF, paragraph 3-*bis* and 3-*ter*, defines the principles and guidelines for the 2025 financial year:

- for determining the remuneration of the Directors of Pirelli & C., in particular Directors holding specific offices, General Managers and KMs, as well as, without prejudice to the provisions of art. 2402 of the Italian Civil Code, for determining the remuneration of members of the control body;
- to which Pirelli & C. refers in defining the remuneration of Senior Managers and, more generally, Group Executives.

The 2025 Policy: (i) contributes towards the company strategy, the pursuit of long-term interests and the sustainable success of Pirelli & C., understood as the creation of long-term value to the benefit of shareholders, taking into account the other relevant stakeholders of the Company; (ii) also takes account of the need to have, retain and motivate people with the expertise and professional standing required by the role held in the Company; and (iii) indicates the purposes, methods of operation and the beneficiaries of the remuneration, as well as the bodies involved and the procedures used for its adoption and implementation.

The 2024 Report on Compensation Paid, submitted for the advisory and non-binding vote of the Shareholders' Meeting in accordance with art. 123-*ter*, paragraph 6, TUF, provides, by name, for the Directors, Statutory Auditors and General Managers and, in aggregate form, for the KMs:

- adequate information about each component of their remuneration, including payments prescribed in the event of resignation from office or termination of employment, pointing out their compliance with the remuneration policy adopted by the Company for the 2024 financial year;
- an analytical indication of the sums paid in respect of the 2024 financial year for any reason and in any form by the Company and its subsidiaries or affiliates, indicating any components of payments that are referable to activities undertaken in years preceding 2024 (and also highlighting the payments to be made in one or more subsequent years for activity undertaken in the 2024 financial year, providing, if applicable, estimates for the components that cannot be objectively quantified in the 2024 financial year);
- an illustration of how the Company took account of the votes cast by the Shareholders' Meeting in 2024.

The Report is made available to the public at the company's registered office (Viale Piero e Alberto Pirelli, 25, Milan), at the authorised storage mechanism (www.emarketstorage.com) and on the website of Pirelli & C. at www.pirelli.com.

EXECUTIVE SUMMARY

Purposes and principles of the Policy	The Policy aims to achieve long-term interests of Pirelli & C., thereby contributing to the achievement of strategic objectives and sustainable growth of the company as well as bringing the interests of the Management into line with those of the stakeholders.		
	PURPOSE	HOW IT OPERATES	BENEFICIARIES IN OFFICE ON THE DATE OF THE REPORT
Fixed Remuneration	Rewards managerial and professional competence and experience, and the contribution made to the office held.	It is defined in relation to the characteristics, responsibilities and any powers assigned to the role, taking into account market references (determined on the basis of periodic benchmarks) in order to ensure its competitiveness.	Chairman: € 400,000 ¹ Executive Vice Chairman: € 2,400,000 Chief Executive Officer: € 1,100,000 General Manager: € 750,000 KM, Senior Manager and Executive: determined according to the responsibility assigned and the skills required by the role.

¹ At the request of Chairman Jiao Jian, on 13 September 2023, the Board of Directors resolved not to allocate any remuneration for the offices he held during his term of office at Pirelli, specifically Director, Chairman of the Board of Directors and member of the Committees.

Annual variable remuneration (STI)	<p>Motivates Management to achieve the Company's annual objectives, maintaining a strong alignment with the company's medium-long term strategy, KPIs associated with the 2024-2025 Business Plan, medium-long term interests and sustainability of the business, also through ESG objectives and partial corporate deferral/matching mechanisms.</p>	<p>Directly linked to the achievement of performance objectives, assigned to each beneficiary in coherence with the role they cover:</p> <ul style="list-style-type: none"> • Adjusted EBIT (Group/Region/BU) • Net Cash Flow (before dividends) (Group/Region) • Group Net Income • Three sustainability objectives • Unit/department objectives (for Senior Managers and Executives) <p>In addition to an on-off condition (which determines access to the Plan), represented by a cash indicator (typically Net Cash Flow).</p> <p>There will be a minimum level for each objective, below which the related pro-quota of the incentive is not accrued.</p> <p>There is also a maximum cap to the incentive that can be achieved (if all maximum performance objectives are achieved), equal to twice the incentive that can be achieved at target performance.</p> <p>Finally, for General Manager, KMs and selected Senior Managers, with a view to retention, a portion of the incentive accrued ranging from a minimum of 25% to a maximum of 50% is subject to three-year deferral. The relative payment, together with a corporate matching component, is subject to the continuation of employment at the company at the end of this period.</p> <p>For the rest of the Management, with the exception of the Chairman of the Board of Directors, on the other hand, 25% of the incentive accrued is deferred and its payment, together with any corporate matching, is subject to the achievement of the following year's STI Plan objectives.</p>	<p>Chairman: not one of the beneficiaries of the plan.</p> <p>Executive Vice Chairman:</p> <ul style="list-style-type: none"> • <i>target:</i> 125% • <i>cap:</i> 250% <p>Chief Executive Officer:</p> <ul style="list-style-type: none"> • <i>target:</i> 110% • <i>cap:</i> 220% <p>General Manager:</p> <ul style="list-style-type: none"> • <i>target:</i> 75% • <i>cap:</i> 150% <p>KMs:</p> <ul style="list-style-type: none"> • <i>target:</i> 60% • <i>cap:</i> 120% <p>Senior Managers and Executives:</p> <ul style="list-style-type: none"> • <i>target:</i> 15% to 40% • <i>cap:</i> 30% to 80%
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Medium-long term variable remuneration (LTI)	<p>Promotes the creation of long-term sustainable success and the achievement of the objectives of the Company's strategic plans, through business, market and ESG KPIs, while at the same time promoting Management retention and engagement.</p>	<p>2025-2027 LTI Plan: an incentive dependent on the achievement of the following, independent long term objectives:</p> <ul style="list-style-type: none"> • Cumulative Group Net Cash Flow (before dividends) • Relative TSR versus TIER1 peers (Continental, Nokian, Michelin, Goodyear and Bridgestone) • two sustainability objectives: Dow Jones Sustainability World Index ATX Auto Component sector and CO₂ Emissions Reduction. <p>There will be a minimum level for each objective, below which the related pro-quota of the incentive is not accrued.</p> <p>There is also a maximum cap to the incentive that can be achieved, if all maximum performance objectives are achieved.</p> <p>The plan does not have an access gate, is rolling and provides for a 3-year vesting period.</p>	<p>Chairman: not one of the beneficiaries of the plan.</p> <p>Executive Vice Chairman:</p> <ul style="list-style-type: none"> • <i>target:</i> 70% • <i>cap:</i> 200% <p>Chief Executive Officer:</p> <ul style="list-style-type: none"> • <i>target:</i> 65% • <i>cap:</i> 180% <p>General Manager:</p> <ul style="list-style-type: none"> • <i>target:</i> 60% • <i>cap:</i> 160% <p>KMs:</p> <ul style="list-style-type: none"> • <i>target:</i> 55% • <i>cap:</i> 145% <p>Senior Managers and Executives:</p> <ul style="list-style-type: none"> • <i>target:</i> 15% to 50% • <i>cap:</i> 40% to 130%
Other tools	<p>Assure organisational stability and the contribution made to the implementation of the Company's strategic plans, also for the purpose of promoting sustainable success over the long-term.</p> <p>Safeguard company know-how and protect it from competitors.</p> <p>Promote attractiveness of the Company and loyalty of managerial staff.</p>	<ul style="list-style-type: none"> • Non-competition agreements: restriction applicable to the product sector and the territory in which the Group operates. The extent varies according to the role covered. • Welcome bonus: one-off bonuses that can be assigned with a view to attracting managerial resources during the hiring phase. • Benefit: non-monetary benefits currently assigned on the basis of market practices. • Allowance in the event of termination of office: provided for in specific events of leaving office or termination of employment. • Claw-backs: contractual agreements that enable the Company to recover all or part of the incentives that were accrued and paid, in cases where fraudulent behaviour or significant errors are proven. 	<p>Non-competition agreements</p> <p>Executive Vice Chairman: not one of the beneficiaries of the non-competition agreements.</p> <p>Compensation for the two-year term of the restriction, based on the role held, technical skills, specialised know-how and the reason for leaving.</p> <ul style="list-style-type: none"> • Chief Executive Officer: 170% if good leaver, 70% if bad leaver • General Manager: 170% if good leaver, 70% if bad leaver. • KM: 130% to 170% if <i>good leaver</i>, 50% to 70% if <i>bad leaver</i>. <p>Allowance in case of departure:</p> <ul style="list-style-type: none"> • Executive Vice Chairman: 24 months of gross remuneration. • Chief Executive Officer: 24 months of gross remuneration. • General Manager, KMs and Group Executives: amounts determined with reference to the applicable category national collective bargaining agreements.

REMUNERATION POLICY FOR THE 2025 FINANCIAL YEAR

1. STAKEHOLDERS IN THE PROCESS OF POLICY PREPARATION, ADOPTION AND IMPLEMENTATION

Stakeholders in the process

The definition of the remuneration policy and any amendments made thereto are the result of a clear and transparent process in which the Remuneration Committee and the Board of Directors play a central role. It is adopted and approved by the Board of Directors annually – based on a proposal by the Remuneration Committee – and the Board then submits it to the Shareholders' Meeting for a vote.

The Board of Statutory Auditors issued its opinion on the policy, including the part regarding the remuneration of Directors holding specific offices.

The Remuneration Committee, the Board of Statutory Auditors and the Board of Directors supervise the application thereof. To this end, at least once per year, when the second section of the report on compensation paid for the respective year is submitted, the Head of the Human Resources & Organisation Department reports on the application of the remuneration policy to the Remuneration Committee, the chairman of which in turn reports to the Board of Directors.

For the sake of completeness, it should be noted that, in accordance with current legislation, it is the role of the Board of Directors to propose to the Shareholders' Meeting the adoption of incentive mechanisms for members of the board of directors, employees or collaborators based on financial instruments, which, if approved, are later made public by the legal deadline (without prejudice to any further transparency requirements laid down in the applicable regulations)².

As at the date of this Report, the Company has no incentive plans in place that provide for the allocation of financial instruments or options on financial instruments.

In preparing the 2025 Policy, the Company was assisted by the independent consultancy firms Willis Towers Watson and Korn Ferry for the preparation of national and international benchmarks used to define the structure of the remuneration of the Directors holding specific offices, the General Manager and KMs, in addition to Senior Managers and Executives.

Amongst the measures aimed at avoiding or managing conflicts of interest, in compliance with the recommendations of the Corporate Governance Code, no member of the Board of Directors shall attend meetings of the Remuneration Committee during which proposals are made to the Board of Directors regarding their remuneration.

² Note that the Board of Directors' meeting of 28 April 2025 established the objectives of the 2025-2027 LTI Plan. Such LTI plan will be submitted for approval of the Shareholders' Meeting as regards the part establishing determination of the incentive on the basis of a total shareholder return objective, calculated as the performance of the Pirelli share, compared to the Tier 1 peers. For a more extensive description, reference is made to paragraphs 2, 4, 5 and 6 below.

Below is a list of the activities carried out by the parties involved in the process of devising, adopting and implementing the policy:

BODY	ROLE AND COMPETENCE ACTIVITIES
Shareholders' Meeting	<ul style="list-style-type: none"> - determines at the time of appointment the gross annual remuneration to be paid to members of the Board of Directors, except for the remuneration to be attributed, by the Board, to Directors holding specific offices; - determines at the time of appointment the gross annual remuneration to be paid to the members of the Board of Statutory Auditors; - approves the first section of the remuneration report; - issues an advisory vote on section 2 of the remuneration report; - decides, upon the proposal of the Board of Directors, on any incentive mechanisms based on the attribution of financial instruments
Board of Director	<p>defines:</p> <ul style="list-style-type: none"> - the breakdown of the total remuneration defined for Directors by the Shareholders' Meeting; - the policy on remuneration of members of the Board of Directors, General Manager, KM and, without prejudice to the provisions of art. 2402 of the Italian Civil Code, members of the Board of Statutory Auditors; - the remuneration of Directors holding specific offices in accordance with art. 2389, paragraph 3 of the Italian Civil Code, and that of General Manager; - the performance objectives related to the variable part of the remuneration of executive directors, General Manager and KM; - the remuneration of the Head of the Internal Audit department upon a proposal by the Audit, Risk and Corporate Governance Committee.

Remuneration Committee






The Remuneration Committee is appointed by the Board of Directors (which also appoints the chairman thereof) and remains in office for the entire duration of the mandate granted by the Board of Directors.

As at the date of this Report, the Committee, consistently with the recommendations of the Corporate Governance Code, is composed of five members, all of whom are non-executive and the majority of whom are independent. The Chairman of the Committee is an independent director.

As at the date of this Report, the Committee members are as follows:

REMUNERATION COMMITTEE

Chairperson of the committee: Grace Tang

	NAME AND SURNAME	OFFICE
	Grace Tang	Independent Director
	Chen Aihua	Director
	Paola Boromei	Independent Director
	Alberto Bradanini	Independent Director
	Michele Carpinelli	Independent Director

Chairman Grace Tang and Director Paola Boromei were by the Board of Directors on 3 August 2023 as having sufficient experience in matters of finance and remuneration policies.

The entire Board of Statutory Auditors is entitled to participate in the work of the Remuneration Committee.

The Secretary to the Board of Directors acts as the Secretary to the Remuneration Committee.

The Committee has support functions to ensure the definition and application within the Group of remuneration policies aimed at, on the one hand, pursuing the sustainable success of the Company/Group in aligning the interests of management with those of the shareholders and, on the other hand, at having, retaining and motivating human resources with the expertise and professional standing required by the role held in the Company.

In particular, the Remuneration Committee:

- assists the Board of Directors with preparing the Group remuneration policy, assessing its overall consistency;
- with regard to the Executive Directors, other Directors holding specific offices and General Managers, it expresses opinions to the Board of Directors:
 - about their remuneration, in compliance with the remuneration policy;
 - about setting performance objectives linked to the variable component of that remuneration;

- about the definition of any no-competition agreements;
- about the definition of any agreements for the termination of working relationships, on the basis of the principles established in the remuneration policy;
- monitors the correct application of the remuneration policy and checks the actual achievement of performance objectives;
- checks the conformity of the remuneration of the Executive Directors, other Directors holding specific offices, General Managers and KMs with the remuneration policy and expresses an opinion on this, where required by the relative procedure adopted within the company, also in accordance with the RPT Procedure;
- helps the Board of Directors to examine proposals to the Shareholders' Meeting for the adoption of compensation plans based on financial instruments;
- monitors application of the decisions adopted by the Board of Directors, checking in particular the effective achievement of the established performance objectives;
- examines and submits the remuneration report to the Board of Directors;
- in any case, provides opinions in relation to transactions with related parties on matters concerning the remuneration of Executive Directors, including Directors holding specific offices, General Managers and KMs, within the limits and according to the criteria allowed by the RPT Procedure;
- assesses whether there are exceptional circumstances that allow for a derogation from the remuneration policy.

The cycle of the Remuneration Committee's main activities in 2025 is shown below, along with the relevant events that are relevant to the Policy.

2025	SUBJECT	ACTIVITY
1Q	2025 Policy and Variable Incentive Plans	Presentation of the timetable. Draft 2025 Policy Approval of incentive plans: <ul style="list-style-type: none"> • 2024 STI finalisation and 2025 STI plan objective setting; • 2022-2024 LTI finalisation and 2025-2027 LTI objective setting. Analysis of market remuneration benchmarks.
2Q	Shareholders' Meeting and publication of 2025 Policy	Approval of 2025 Policy and 2024 Report on Compensation Paid Shareholders' Meeting vote on the 2025-2027 LTI plan.
3Q	Analysis of votes received from Shareholders and review of Governance	Analysis of votes received from Shareholders. Analysis of 2025 Policy and quality benchmark Analysis of 2025 Policy and assessment of potential changes

In relation to the operating methods of the Remuneration Committee, see the Report on the Corporate Governance and Share Ownership.

2. PURPOSES AND PRINCIPLES OF THE 2025 REMUNERATION POLICY

Purposes of the 2025 Policy and contribution to corporate strategies

The purpose of the Policy, established in line with the corporate governance framework adopted by the Company and in accordance with the principles and recommendations of the Corporate Governance Code, is to attract, motivate and retain individuals with the professional qualities necessary to achieve the Company's objectives. In addition, through the medium-long term variable components assigned, in particular, to Directors holding specific offices to whom specific duties are also delegated, the General Manager, KMs, Senior Managers and Executives, it aims to achieve long-term interests and the sustainable success of the company.

As shown below, the Policy seeks to reinforce the “pay for performance” connection by setting clear performance goals – predefined, measurable, and focused on the long-term – that determine the allocation of variable components. It helps drive the achievement of corporate objectives through incentive plans tied to both financial and non-financial targets, all aligned with the Company's strategic goals and designed to foster sustainable success.

The Policy is valid for one year and in any case until the Shareholders' Meeting approves a new remuneration policy.

The Policy is defined taking into account various factors such as remuneration, which in turn is defined on the basis of market benchmarks aiming at a level of attractiveness differentiated according to the company role and skills, the compensation mix and the working conditions of

Company employees. With reference to this last aspect, the 2025 Policy also in fact refers to the remuneration of the Senior Managers and Executives of the Group. Moreover, Pirelli:

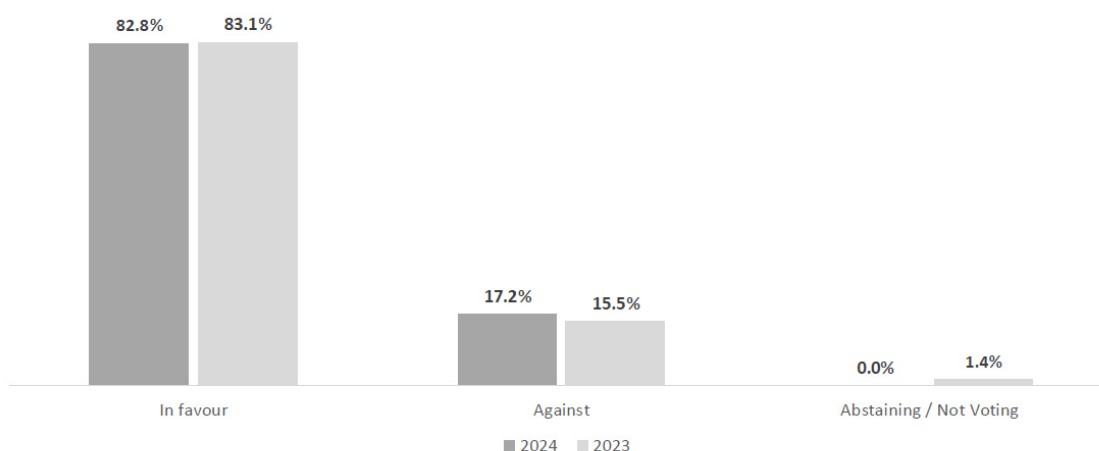
- applies and respects any existing and applicable national collective bargaining agreements to which it adheres;
- adopts for all the Group's managers and the remaining employees meritocratic policies, variable incentive systems, welfare initiatives and services to benefit employees or their families, as well as, in order to protect the company assets, non-competition agreements for specific individuals;
- is committed to ensuring respect for equal opportunities in the work environment, in accordance with the Group's Diversity, Equity & Inclusion Policy, endeavours to manage and reduce potential risks of human rights violations, to avoid producing - or contributing to producing - negative effects on these rights in the international, multi-ethnic, socially and economically diversified context in which it operates, in accordance with the Group's Human Rights Policy;
- is attentive to pay equity, in the context of gender diversity, as highlighted in more detail in the Consolidated Sustainability Report. Specifically, pay gaps between men and women are calculated for each country by considering the value assigned to each organisational position based on various factors, an approach that allows for an analysis that highlights pay disparities for comparable roles and jobs. This method of data collection allows for objective investigation and evaluation while also taking into account the structural differences of the various local markets and their peculiar remuneration logics. For 2024, the pay gap for the Group's white-collar employees is calculated at 0.4% in favour of women based on basic pay. When factoring in Annual Total Direct Compensation, the gap shifts to 2.7% in favour of men. Across the entire Group population, the pay gap stands at 2.3% in favour of men when calculated on base salary, and 4.4% in favour of men when considering Annual Total Direct Compensation. For further details and supporting evidence, please refer to the Consolidated Sustainability Report in the 2024 Annual Report file.

Shareholder Engagement, results of the voting and feedback from investors

Pirelli believes that an ongoing dialogue with shareholders and, more generally, the main Financial Market Stakeholders contributes to creating sustainable value for the Company. The adoption of a specific Engagement Policy, inspired by international best practices, confirms the Company's commitment to ensuring equal, transparent, timely and accurate communication. In particular, the discussion with its Shareholders on remuneration issues allows their involvement in the definition of the remuneration policy, aligning the interests of Management with those of the Shareholders and contributing to the achievement of the Company's strategic objectives and sustainable success.

With this in mind, Pirelli & C. makes available to its stakeholders, Shareholders and investors, in a special section of its website, complete and accurate information on remuneration issues and also examines the results of the Shareholders' Meeting vote as a starting point for the continuous improvement of its remuneration policy.

The 2025 Policy is therefore established taking into account the analysis and investigations made of the results of the Shareholders' Meeting vote and the feedback received from Shareholders and key proxy advisors on the 2024 Policy and the Report on Compensation paid in 2023. The diagram below presents the result of the binding vote expressed by the Shareholders' Meeting on 28 May 2024 compared to the result of the voting in 2023.



Pirelli attaches great importance to analysing this voting result and the feedback received and, following the analysis of the results of the votes cast at the Shareholders' Meeting of 28 May 2024 and the main rationale for the votes against, took the action required to ensure the consistency of the 2025 Policy with the Shareholders' expectations for the future.

Description of the changes compared to the 2024 Remuneration Report

With respect to the 2024 Policy, in response to the voting results, feedback received and analyses of the voting results and the main reasons behind the votes cast against proposals, as well as to take into account the long-term interests of Pirelli & C., the composition of the panel used to compare the Annual Total Direct Compensation with the Target for the Executive Vice Chairman and the Chief Executive Officer has been revised. The revised panel excludes Renault, Stellantis and Gestamp Automoción, and introduces new companies in the automotive components and assembly sectors: Advance Auto Parts, Hella, and TI Fluid Systems, along with Nokian, a direct competitor in the tyre industry.

Additionally, to enhance transparency:

- the companies included in the comparison panel for the Chairman of the Board of Directors' remuneration are now explicitly listed;
- in the section on variable incentive instruments, the weight of the ESG component, along with the climate change portion, within the pay mix is now clearly highlighted, in compliance with the Corporate Sustainability Reporting Directive (CSRD) and its related implementation decree (6 September 2024, no. 125).

Finally, the possibility of defining a new compensation allowances framework for the Chief Executive Officer consistent in structure but still not exceeding what is provided for the Executive Vice Chairman has been introduced.

The 2025 Policy also reflects the appointment of the new Board of Statutory Auditors on 28 May 2024.

Regarding the 2024 Report on Compensation Paid, it is important to highlight that the high level of transparency in Section II of the document has been preserved. This includes detailed information on the performance metrics tied to variable incentives, as well as a comprehensive overview of the various components of the remuneration package paid in different forms throughout 2024.

Market references and peer group

With regard to the Annual Total Direct Compensation on-Target, Pirelli defines and applies a policy which, in relation to the reference market, targets the third quartile for the Executive Vice Chairman, the General Manager, the KMs and the Senior Management, the median for the Chairman of the Board of Directors, Chief Executive Officer and Group Executives.

The analysis of the positioning, the make-up and more generally the competitiveness of the remuneration of Directors holding specific offices is conducted by the Remuneration Committee and the Board of Directors with the assistance of companies specialised in executive compensation, on the basis of methodological approaches that allow the full assessment, if within the typical limits of benchmark analyses, of the complexity of their positions from an organisational point of view, any

specific duties assigned thereto and the individual's impact on the final business results. In particular, with the assistance of the company Willis Tower Watson, Pirelli defines:

- a sample of 12 companies listed on the Euronext Milan³ used to analyse competitiveness and potentially revise the remuneration of the Chairman of the Board of Directors of Pirelli & C., consisting of the following:

**Amplifon; Diasorin; Enel; Eni; Leonardo;
Nexi; Poste Italiane; Recordati; Saipem;
Snam; Telecom Italia; Terna**

- a sample of reference companies defined by taking into account key recommendations on pay for performance, used to analyse competitiveness and potentially revise the remuneration of the Executive Vice Chairman and Chief Executive Officer of Pirelli & C..

With regard to the comparative market, in defining the panel of reference companies analysed annually by the Remuneration Committee, various components are taken into account and pre-established criteria are applied that are consistent with those considered by investors and proxy advisors.

The table below shows the criteria used to define the panel:

Sector	Geography	Dimension
The panel includes direct competitors, automotive manufacturers as well as companies from the Auto Components sector.	The panel consists of multinational companies, based in major European countries and North America.	The dimension is assessed in relation to the following criteria: <ul style="list-style-type: none"> - market capitalisation; - revenues; - number of employees.

Through the review process conducted over the past few years, the panel has gradually included companies from the Auto Components sector while excluding companies that did not meet the

³ Financial companies are excluded from the sample.

established criteria. The selected companies, listed below, share similar characteristics in terms of production, technology and market orientation.

Vehicles	Aston Martin; Ferrari; Harley-Davidson
Auto Component	Advance Auto Parts; Brembo; CIE Automotive; Hella; Magna International; TI Fluid Systems; OPMobility
Tyre	Goodyear; Michelin; Nokian

Finally, the remuneration structure and related analysis for the General Manager and the KMs, shared with the Remuneration Committee and annually reviewed and disclosed in the report on compensation paid, are also defined for Senior Managers and Executives. These are based on national and European benchmarks, which are prepared annually by Korn Ferry through a survey that includes over 480 companies. The method used is “Job Grading”, which compares the roles on the basis of three different components (know-how, problem solving and accountability), whereby the weighting of each role is determined within the company.

Elements of the policy

In keeping with previous remuneration policies, the 2025 Policy provides for the Management remuneration to consist of various elements:

- gross annual base salary;
- an annual variable component (STI);
- medium-long term variable component (LTI);
- non-monetary benefits.

Fixed component

The base salary is established on the basis of the complexity of the position, professional seniority, the skills required to perform in the role, performance over time, and the trend in the comparison remuneration market related to the position held by the individual.

Variable components

The STI and LTI variable components are established - taking account of the benchmarks for each - as a percentage of base salary which increases according to the position held by the beneficiary.

The full cost of the variable incentive plans, both short and medium-long term, is included in the economics of the strategic plans, so that their impact is “self-funded” by achievement of the expected results.

The risk governance process is fully integrated into the strategic planning process in order to ensure that the objectives envisaged for achieving the variable incentive do not expose Pirelli to managerial behaviour inconsistent with an acceptable level of risk (“risk appetite”) as defined by the Board of Directors when approving the plans.

Annual variable component (STI)

The STI component, except for specific cases, is extended to all the Management - except for the Chairman of the Board of Directors - and is intended to reward the beneficiaries’ short term performance; moreover, it can be extended to managers who joined the Group during the year. The 2025 STI Plan objectives for Directors holding specific offices to whom specific duties are also delegated, for the General Manager and for KMs are established by the Board of Directors upon a proposal by the Remuneration Committee (see §4 and §5).

The objectives underlying the STI Plan represent performance consistent with the corresponding objectives disclosed to the market, in particular the objectives for achieving the incentive at “target” level are set as equal to the value disclosed to the market.

The objectives assigned to Directors holding specific offices to whom specific duties are also delegated, to the General Manager and KMs in the context of the 2025 STI Plan are the following:

2025 STI Plan	Objective	Description	Weight
ON/OFF condition	Group Net Cash Flow (before dividends)		
	Group adjusted EBIT	This is the acronym for Earnings Before Interests and Taxes and is an interim result of the profit and loss. This indicator does not consider the financial structure of the company (i.e. how the company is financed, as it is independent of financial management).	35%
	Group Net Cash Flow (before dividends)	It represents the cash flow available to the company and is the difference between cash flow from operating activities and cash flow from investments in fixed assets.	30%
	Net income	It represents the total profit made by the company, as reported in its financial statements.	20%
Business Objectives			
Sustainability Objectives	Eco & Safety Volumes	Volumes of Eco & Safety Performance tyres out of the Group's total car tyre sales volumes. Eco & Safety Performance products identify car tyres that Pirelli produces worldwide and that fall within the rolling resistance and wet grip classes A, B, measured according to the labelling parameters established by European standards.	5%
	Women in Management positions	The index measures the number of women in managerial positions out of the total number of managerial positions in the company.	5%
	Frequency Index	The index measures the incidence of accidents at work in relation to the hours worked in the year.	5%

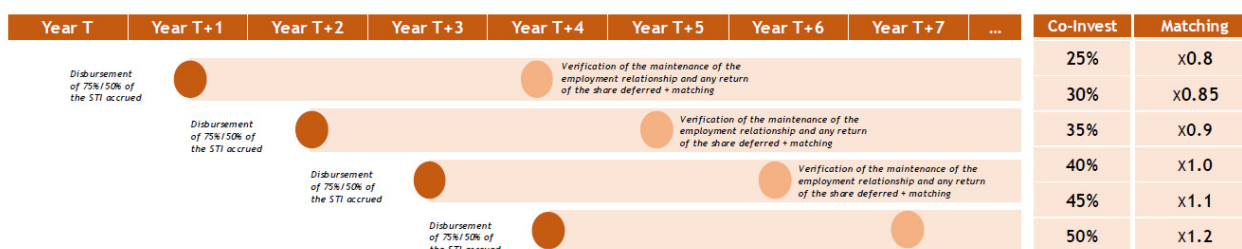
The 2025 STI Plan objectives of the Senior Managers and Executives are, instead, defined by the hierarchical manager in accordance with the Human Resources & Organisation and Administration, Planning & Controlling departments and envisage, amongst others, also objectives connected with the economic performance of the relevant business unit/geography/department (cf. §6).

At the end of the year and based on the finalised performance figures (and included in the draft financial statements approved by the Board of Directors), the Department of Human Resources & Organization, with the assistance of the Administration, Planning & Controlling Department, checks the level to which the objectives have been achieved, on which basis the Board of Directors then resolves, after examination by the Remuneration Committee, having obtained the opinion of the Board of Statutory Auditors, on the amount of the variable compensation to be disbursed.

In the event of extraordinary transactions affecting the scope of the Group and/or major changes in the macroeconomic and geopolitical scenario, the Remuneration Committee may adjust the targets in the 2025 STI plan, in order to protect the Plan's value and aims and ensure that the objectives of the company and the objectives that underpin the Management incentive systems are constantly aligned, or close the plan early.

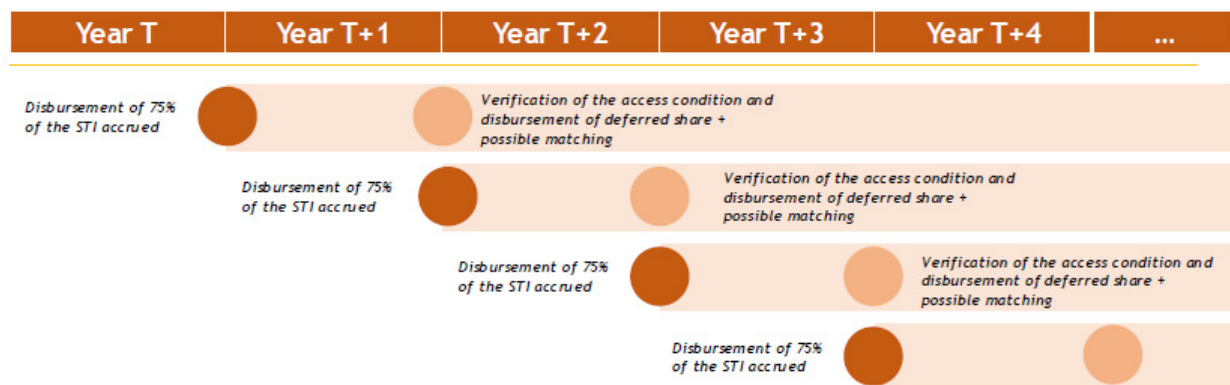
Achievement of the individual objectives will be assessed by the Remuneration Committee, neutralising the effects of any extraordinary decisions that could have impacted the results (either positively or negatively). The Board of Directors resolves on any review proposal submitted for its examination.

The 2025 STI plan provides that for the General Manager, KMs and selected Senior Managers, part of the remuneration accrued as a STI, from a minimum of 25% to a maximum of 50%, is deferred, with a view to retention, and disbursed at the end of a three-year period subject to the continuation of employment and together with a corporate matching component which can vary from a minimum of 0.8 times to a maximum of 1.2 times the amount of the deferred STI (see the diagram below).



For the rest of the Management, on the other hand, part of the variable remuneration accrued as STI is deferred to the benefit of continued results over time and thereby the creation of sustainable value for Shareholders in the medium-long term. Indeed, 75% of any STI accrued is paid, since the remaining 25% is deferred by 12 months and subject to achievement of the STI objectives for the following year. More specifically (see diagrams below):

STI Year T+1	
No incentive is accrued	The Year T deferred share will be definitively lost
Accrued with a final performance below target	The Year T deferred share will be fully returned
Accrued with a final performance equal to or greater than target	The Year T deferred share will be fully returned along with an additional amount of equal value (<i>matching</i>)



Medium-long term variable component (LTI)

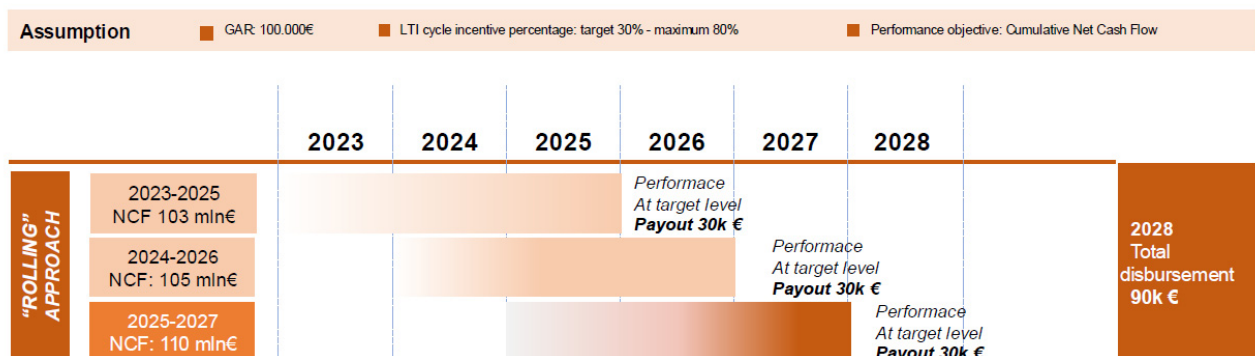
As for the medium to long term variable remuneration (LTI), it is assigned to Top Management – except for the Chairman of the Board of Directors – and extended, except in specific cases, to all Executives whose Grade, determined with the Korn Ferry method, is equal to or above 20.

The medium-long term incentive plans (LTI) are intended to:

- link Management remuneration with the medium-long term performance of the Group;
- promote the creation of shareholder value and sustainable success for the Company;
- align the interests of shareholders with those of the Management;
- promote Management retention.

The LTI plans are structured with a “rolling” mechanism which guarantees flexibility by ensuring that, for each new three-year period, the performance indicators are aligned with the evolution of the market and the company and, therefore, the Company’s strategic plans.

Below is an explanatory diagram showing how it works:



The LTI plans assign each beneficiary an incentive opportunity (the “**LTI Bonus**”), equal to a percentage of the gross annual fixed component in place in the first year of the plan. This incentive percentage increases in relation to the position held and takes into account the benchmarks for each role.

The objectives set in the LTI plans represent a performance consistent with the corresponding objectives in the business plans disclosed to the market. In particular, the objectives for obtaining the incentive at “target” level will be in line with what will be disclosed to the market.

The objectives assigned to the Directors holding specific offices to whom specific duties are also delegated, to the General Manager and KMs in the context of the 2025-2027 LTI Plan are the following:

2025-2027 LTI Plan	Objectives	Description	Weight
Business Objectives	Cumulative Group Net Cash Flow (before dividends)	It represents the accumulated cash flow available to the company and is the difference between cash flow from operating activities and cash flow from investments in fixed assets.	35%
	Related TSR vs TIER 1	It is a measure of Pirelli's share performance over time. It combines share price appreciation and dividends paid to show the total return to the shareholder expressed as an annualised percentage. This indicator is then compared with the average of Tier1 peers (Continental, Michelin, Nokian, Goodyear and Bridgestone).	40%
Sustainability Objectives	DJS Index	It represents Pirelli's positioning in the Dow Jones Sustainability World (ATX Auto Components) index, which includes global sustainability leaders identified by S&P Global through the Corporate Sustainability Assessment.	10%
	CO₂ Emissions	It represents the reduction of direct (Scope 1+2) greenhouse gas emissions from plants, vehicles and other activities managed directly by Pirelli.	15%

In the event of extraordinary transactions affecting the Group's perimeter and/or profound changes in the macroeconomic and geopolitical scenario, the Board of Directors, on a proposal from the Remuneration Committee, subject to the opinion of the Board of Statutory Auditors, may decide:

- any adjustment of the targets (both upward or downward) of the 2025-2027 LTI Plans, so as to protect their value and relative targets, thus ensuring constant alignment between the company's objectives and the objectives underlying the Management incentive schemes;

- a potential early termination of the 2025-2027 LTI Plan.

The 2024-2025 Business Plan confirms the core elements at the basis of Pirelli's business model; the graph below shows the link between the corporate strategy and the KPIs of the incentive systems.

Pillars of the 2024-2025 Business Plan	STI	LTI
High-end, specialties and EV focus	Net income	Relative TSR
Innovation and connectivity	Group adjusted EBIT	
Cost Transformation & Digitalization		Cumulative Group Net Cash Flow (before dividends)
	Group Net Cash Flow (before dividends)	
Sustainability	Eco & Safety Volumes DE&I: Women in Management positions HSE: Frequency Index	CO2 Emissions Reduction DJS Index

Each pillar will be undertaken with an approach based on:

- centrality of environmental sustainability; and
- an increasing push towards innovation and digitisation.

More specifically, through innovation and connectivity, new technologies will be introduced into products inspired by eco-safety design and efforts will continue on connected tyres capable of generating data that can be used to strengthen data-driven product development and process optimisation. Digitisation and sustainability will be the key drivers for increasing efficiency and quality levels thanks to programmes such as electrification and the Industrial IoT. The electrification of the presses, part of the technological transition that will phase out steam generation boilers, combined with specific recirculation programs, will help achieve the targets for reducing water consumption, aiming for a 43% reduction by 2025 and 60% by 2030, compared to 2015 consumption levels.

The cost transformation programme, which includes automation, predictive maintenance through Industrial IoT, optimisation of the logistics network, and modular product design, among other initiatives, will serve as a comprehensive plan to enhance competitiveness across all company departments.

Insights into the Company's strategy, governance and target, if sustainable management model, along with the materiality of impacts, risks and opportunities, as well as projects and recorded sustainability performance, can be found in the Consolidated Sustainability Report.

Non-monetary benefits

Non-monetary elements of remuneration are benefits provided to beneficiaries, depending on the position held, as a result of contractual provisions/company policies or aimed at reinforcing attraction during the recruitment phase (e.g. accommodation and student grants for limited periods of time).

Furthermore, when a new General Manager or a KM is hired, the Company reserves the right to define, in line with market practice, the experience gained and the conventional seniority that may be due to such person.

3. REMUNERATION OF THE BOARD OF DIRECTORS, THE SUPERVISORY BODY AND THE BOARD OF STATUTORY AUDITORS

The Board of Directors

Within the Board of Directors, a distinction can be made between:

- i. Directors holding specific offices to further specific duties are also delegated;
- ii. Directors holding no specific offices.

The attribution to directors of powers in respect of specific matters not included in the duties assigned to them under art. 2381 of the Italian Civil Code, does not per se make them Directors to whom specific duties are also attributed.

The total gross annual remuneration established by the Shareholders' Meeting⁴ was allocated by the Board of Directors on 3 August 2023 for the years 2023, 2024 and 2025:

DIRECTORS' REMUNERATION		
BODY	OFFICE	REMUNERATION
Board of Directors	Director	75,000 Euro
Audit, Risks and Corporate Governance Committee	Chairman	40,000 Euro
	Member	35,000 Euro
Remuneration Committee	Chairman	40,000 Euro
	Member	35,000 Euro
Strategies Committee	Chairman	50,000 Euro
	Member	35,000 Euro
Appointments and Successions Committee	Chairman	35,000 Euro
	Member	25,000 Euro
Related-Party Transactions Committee	Chairman	65,000 Euro
	Member	45,000 Euro
Sustainability Committee	Chairman	50,000 Euro
	Member	35,000 Euro

In line with best practice, Directors holding no specific offices do not receive a variable component of their remuneration. Expenses incurred for official reasons are also reimbursed to the Directors.

In any case, the remuneration paid to Directors, other than those holding specific offices with delegated powers, is set to ensure it reflects the skills, professionalism and commitment required by their role. In deciding said allocation, the Board of Directors takes into account the effort required for the Directors' attendance of the individual Board Committees, on the basis of the previous mandate.

In the event that the Board of Directors is called on to resolve again on the allocation of the remuneration established by the Shareholders' Meeting, and unless the Shareholders' Meeting provides otherwise, an allocation of said remuneration that envisages the attribution (i) of a remuneration that is at most +25% of the Directors' remuneration attributed during the previous term of office and (ii) +25% of the remuneration for the office held in the previous term of office for Board Committee members, should be considered compliant with the policy. If new Board Committees should be established, the maximum limit is that of the highest remuneration envisaged for the corresponding office in other Board Committees.

In line with best practices, a Directors & Officers Liability (D&O) insurance policy is in place to cover the third-party liability of members of corporate bodies, i.e. Directors and Statutory Auditors. Consequent to the rules governing mandates, this policy aims to indemnify Pirelli & C. from any

⁴ On 31 July 2023, the Pirelli & C. Shareholders' Meeting resolved to establish, for the years 2023, 2024, 2025 and until cessation of office with the approval of the financial statements as at 31 December 2025, a maximum of 2.5 million euros as the total annual remuneration of the Board of Directors in accordance with Art. 2389, paragraph 1 of the Italian Civil Code, excluding the remuneration to be assigned, by the Board of Directors, to Directors holding specific offices, as envisaged by Art. 2389 of the Italian Civil Code.

expenses deriving from the related compensation, excluding cases of wilful misconduct or gross negligence.

Lastly, for Directors who do not hold specific offices with delegated powers, no additional insurance coverage, social security, or pension benefits beyond compulsory coverage are provided.

The Supervisory Body

On 3 August 2023, the Board of Directors confirmed, in continuity with the previous term of office, the members of the Supervisory Body⁵ and resolved to pay the Chairman and the other members of the Supervisory Body the following remuneration for the financial years 2023, 2024 and 2025:

Supervisory Body	Chairman	70,000 Euro
	Member	50,000 Euro

For completeness, it is reported that the remuneration assigned to members of the Supervisory Body is not included in the total gross annual remuneration established by the Shareholders' Meeting.

The Board of Statutory Auditors

The remuneration of members of the control body is determined by the Shareholders' Meeting as a fixed annual amount, appropriate to the competence, professionalism and commitment required by the importance of the position held and the size and sector characteristics of the company.

The Shareholders' Meeting of 28 May 2024 approved the renewal of the Board of Statutory Auditors for the three-year period 2024-2026 and until the approval of the financial statements as at 31 December 2026, following the expiry of its term with the approval of the financial statements as of 31 December 2023. The Shareholders' Meeting also determined, in accordance with Article 2402 of the Italian Civil Code, a fixed annual gross remuneration of 135,000 euros for the Chairman of the Board of Statutory Auditors and 95,000 euros for the other standing members.

Expenses incurred for official reasons are also reimbursed to the Statutory Auditors.

The Shareholders' Meeting of 28 May 2024 also resolved to allocate to the members of the Board of Statutory Auditors, who may be called upon to join the Supervisory Body, the remuneration due to the members of this body, as determined by the Board of Directors. In line with best practices, a

⁵ On 1 August 2024, the Board of Directors resolved to appoint Ms Maura Campa, in her capacity as a member of the Board of Statutory Auditors (appointed by the Shareholders' Meeting of 28 May 2024), to the Supervisory Board, replacing Ms Antonella Carù, who ceased to be a member of the Board of Statutory Auditors following the completion of her term of office.

D&O insurance policy is envisaged to cover the third party liability of the corporate bodies, including the members of the Board of Statutory Auditors.

4. REMUNERATION OF DIRECTORS HOLDING SPECIFIC OFFICES

The remuneration of Directors holding specific offices is proposed by the Remuneration Committee to the Board of Directors when they are appointed, or at the first useful meeting thereafter, following consultation with the Board of Statutory Auditors.

Chairman of the Board of Directors

If a Director has been appointed to a specific office or offices, but no specific duties have been assigned to them (at the date of this Report, this applies to Chairman of the Board of Directors Jiao Jian) the remuneration consists solely of a fixed gross annual component, as well as the compensation for the office of Director and any participation in Committees.

At the time of appointment, the Board of Directors determines the remuneration for the Chairman of the Board of Directors, considering the remuneration assigned during the previous mandate (if the same holder) and the market benchmark.

The Chairman of the Board of Directors, who receives a gross annual remuneration of 400,000 euros for his office, has expressed his wish not to receive any remuneration from the Company for the offices held. Therefore, the Board of Directors' meeting of 13 September 2023 resolved not to allocate any remuneration under the 2023 Policy for the offices held by him⁶.

In the event that the Board of Directors is called on to resolve again on the remuneration of the Chairman of the Board of Directors during the current term of office, a remuneration that is at most equal to +10% of the remuneration payable during the previous term of office (in the case of the same holder) or consistent with the market benchmark median (in the case of a different person), is considered compliant with the Policy. No non-monetary benefits are provided for the Chairman of the Board of Directors.

⁶ On 13 September 2023, the Board of Directors, at the request of Chairman Jiao Jian, resolved not to allocate any remuneration for the offices held by him during his term at Pirelli & C., specifically Chairman of the Board of Directors (75,000 euros), member of the Strategies Committee (35,000 euros), and member of the Sustainability Committee (35,000 euros).

Directors holding specific offices to whom specific duties are also delegated

The remuneration of Directors holding specific offices to whom specific duties are also delegated (as of the date of this Report this applies to the Executive Vice Chairman Marco Tronchetti Provera and the Chief Executive Officer Andrea Casaluci) consists of the following elements:

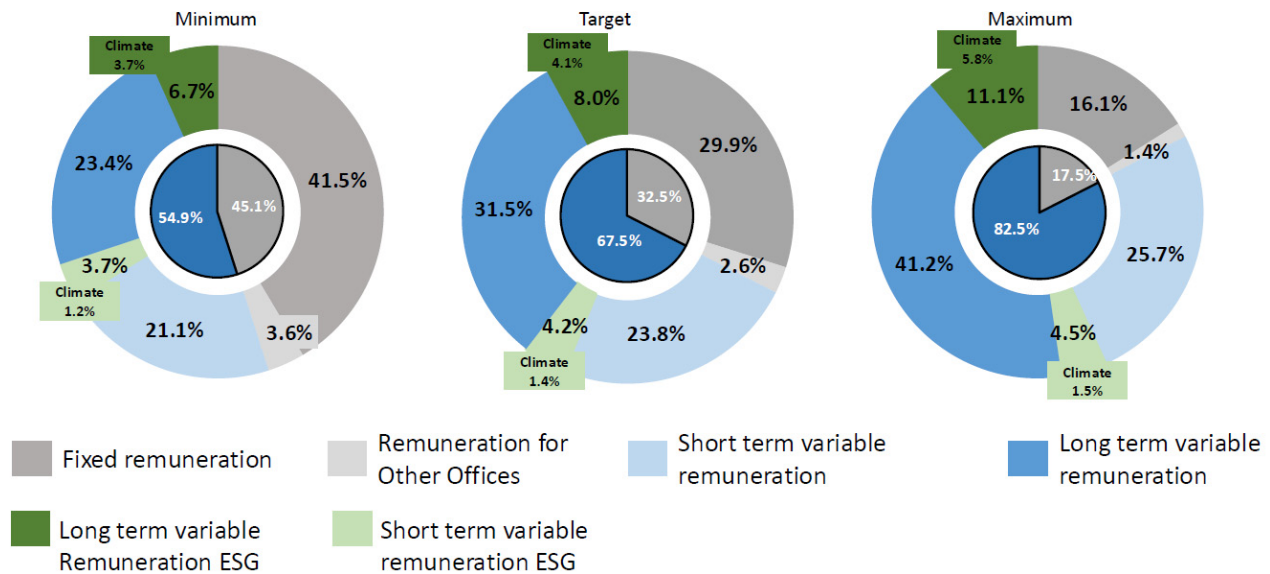
Fixed Remuneration	For the main office
Short Term Variable Remuneration	Annual incentive plan (STI)
Long Term Variable Remuneration	Deferred annual incentive quota/STI matching Medium-long term incentive plan (LTI)
Other Components	Fixed remuneration for other offices different from the principal Benefits typical of the office and recognised according to company practice Insurance covers Non-Competition Agreement (for Chief Executive Officer only) Office Termination Payment

Directors holding specific offices to whom specific duties are also delegated, shall also be due the compensation for the office of Director and any participation in Board Committees⁷.

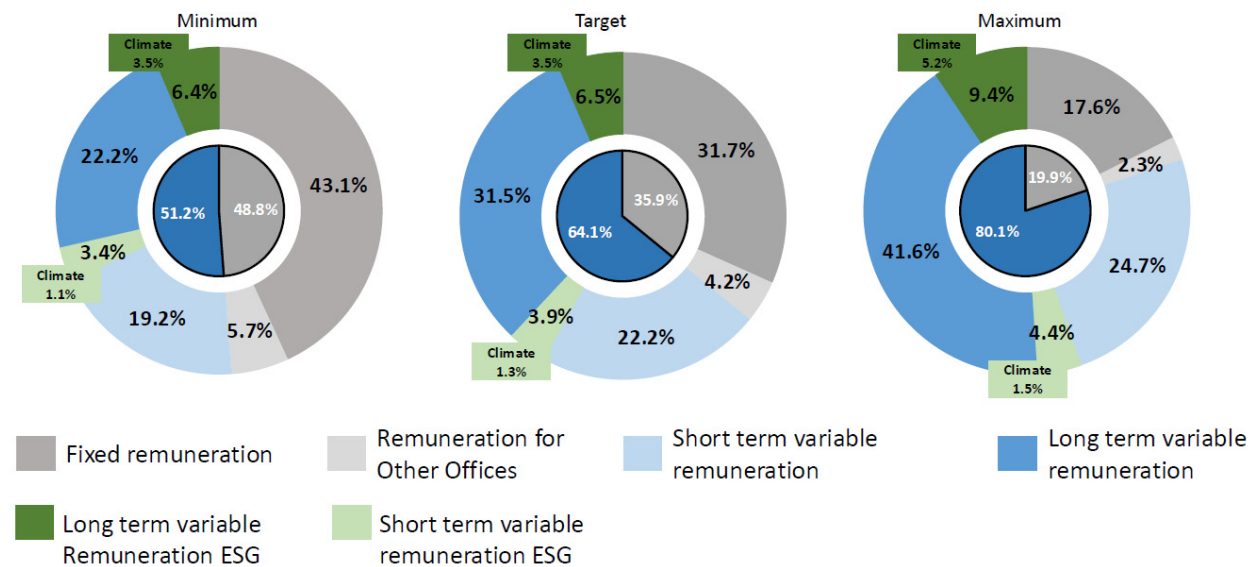
With regard to the incidence of the various components, the structure of the compensation package for the Executive Vice Chairman and the Chief Executive Officer, in the event that the objectives of the 2025 STI Plan and the 2025-2027 LTI Plan are achieved at the minimum, target and maximum levels, is shown below, with a particular focus on the impact of the ESG objectives on the pay mix.

⁷ The Executive Vice Chairman is also entitled to the remuneration for serving as a Director (75,000 euros) and as Chairman of the Strategies Committee (50,000 euros), the Appointments and Successions Committee (35,000 euros) and the Sustainability Committee (50,000 euros). The Chief Executive Officer is entitled to remuneration for serving as Director (75,000 euros) and for his role as a member of the Strategies Committee (35,000 euros) and the Sustainability Committee (35,000 euros).

Pay Mix – Executive Vice Chairman



Pay Mix – Chief Executive Officer



As illustrated in the graphs above, as regards the ESG objectives within the incentive schemes, it is important to note that if the performance reaches the target level, the corresponding payout will account for 12.2% of the compensation package for the Executive Vice Chairman (with 5.8% related to climate change KPIs) and 10.4% for the Chief Executive Officer (with 4.8% related to climate change KPIs).

Fixed Remuneration

Remuneration for Directors holding specific offices to whom specific duties are also delegated is determined at the time of appointment, taking into account the market benchmark in an amount that ensures a balance between the fixed component and the variable component that is adequate and consistent with the strategic objectives and the risk management policy of the Company, taking into account the characteristics of the business and the sector in which the Company operates, in any case establishing that the variable component represents a significant part of the total remuneration.

The gross annual fixed remuneration for the financial years 2023, 2024 and 2025 and until the approval of the financial statements as at 31 December 2025 assigned to (i) the Executive Vice Chairman is 2,400,000 euros and (ii) the Chief Executive Officer is 1,100,000 euros.

In the event that the Board of Directors is again called upon to resolve on the gross annual fixed remuneration of Directors holding specific offices to whom specific duties are also delegated, the following shall comply with the Policy:

- for the Executive Vice Chairman, a fixed gross annual remuneration or a review thereof which, taking into account the annual and medium to long-term incentive percentages, determines an Annual Total Direct Compensation on-Target equal to a maximum of +5% respectively of the value awarded in the previous term of office (if the same holder) or of the market benchmark (third quartile);
- for the Chief Executive Officer, a fixed gross annual remuneration or a review thereof which, taking into account the annual and medium-long term incentive percentages, determines an Annual Total Direct Compensation on-Target equal to a maximum of +10% respectively of the value awarded in the previous term of office (if the same holder) or of the market benchmark (median).

Annual variable component (STI)

The Directors holding specific offices to whom specific duties are also delegated receive an annual variable component (STI) equal to a percentage of the fixed remuneration determined at the time of appointment and thereafter when the individual annual plans are launched.

If the Board of Directors is again called to resolve on the STI incentive percentages for Directors holding specific offices to whom specific duties are also delegated, the Policy allows the allocation of an STI incentive percentage of no more than 125% on target and 250% maximum.

For each objective there is a minimum and a maximum (cap) to the amount of the incentive that can be achieved; for performance below the minimum level, no payment is envisaged.

The on/off condition is the Group's Net Cash Flow (before dividends) and failure to achieve it results in the cancellation of the STI incentive, regardless of the level of achievement of the other objectives.

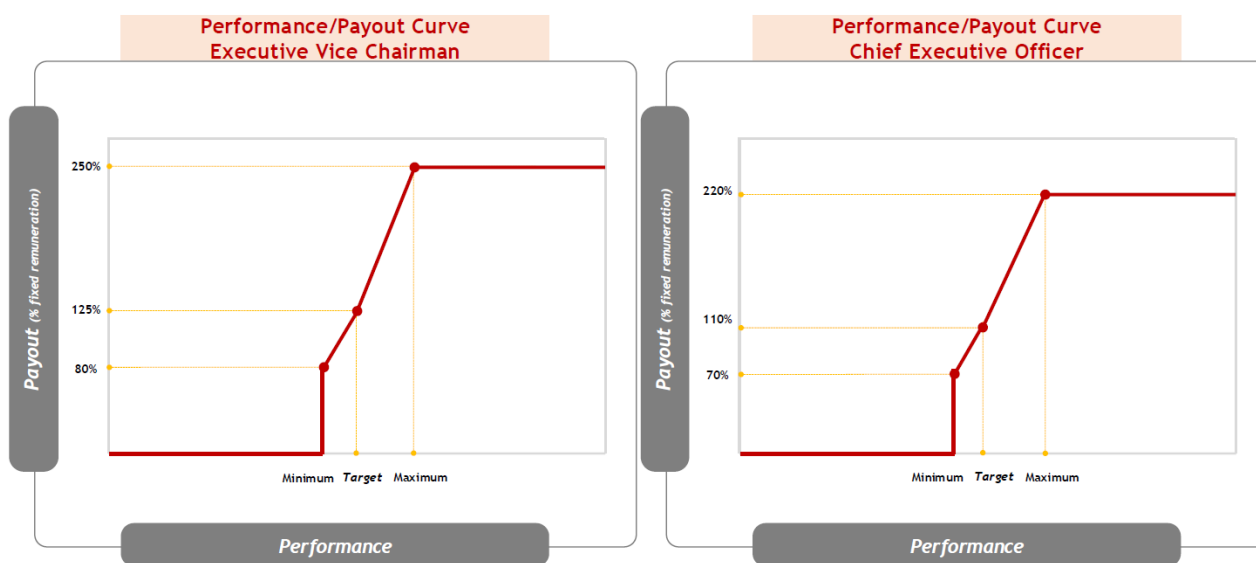
The finalisation of the bonus between the minimum value and target and between the target and maximum is carried out by linear interpolation.

Depending on the level of performance achieved, the Executive Vice Chairman will be paid an incentive of 80% of fixed remuneration for minimum level performance, amounting to 125% of the fixed remuneration in the event of on-target performance and 250% for maximum level performance.

Depending on the level of performance achieved, the Chief Executive Officer will be paid an incentive of 70% of fixed remuneration for minimum level performance, amounting to 110% of the fixed remuneration in the event of on-target performance and 220% for maximum level performance.

Once the on/off condition has been achieved, all the objectives envisaged on the STI scorecard shall apply independently, according to the incentive curve shown below. Therefore, according to the performance achieved, each objective will go towards calculating the total payout, on the basis of the weighting shown on the scorecard.

Example curve if all objectives are achieved at minimum, target and maximum level by the Executive Vice Chairman and Chief Executive Officer.



Part of the variable component accrued by the Executive Vice Chairman and Chief Executive Officer as STI is deferred to support the continuity of results over time and, therefore, the creation of sustainable value in the medium to long term for the Shareholders, as stated in paragraph 2 of this Policy. In the event that the payout percentage of the STI accrued in the following year is equal to or higher than target value, the STI share deferred from the previous year is paid, together with an additional amount equal to the portion deferred (matching).

In the event of termination of office, the STI Bonus is paid on a pro-quota basis for the effective months of tenure in office⁸.

Medium-long term variable component (LTI)

In order to contribute to the corporate strategy, the pursuit of the long-term interests and the sustainability of the Company, the Directors holding specific offices to whom specific duties are also delegated receive a medium-long term variable component (LTI) equal to a percentage of the fixed remuneration determined at the time of appointment and thereafter when the individual annual plans are launched.

For 2025, the Executive Vice Chairman and Chief Executive Officer are beneficiaries of the 2025-2027 LTI Plans and the 2023-2025 and 2024-2026 LTI Plans.

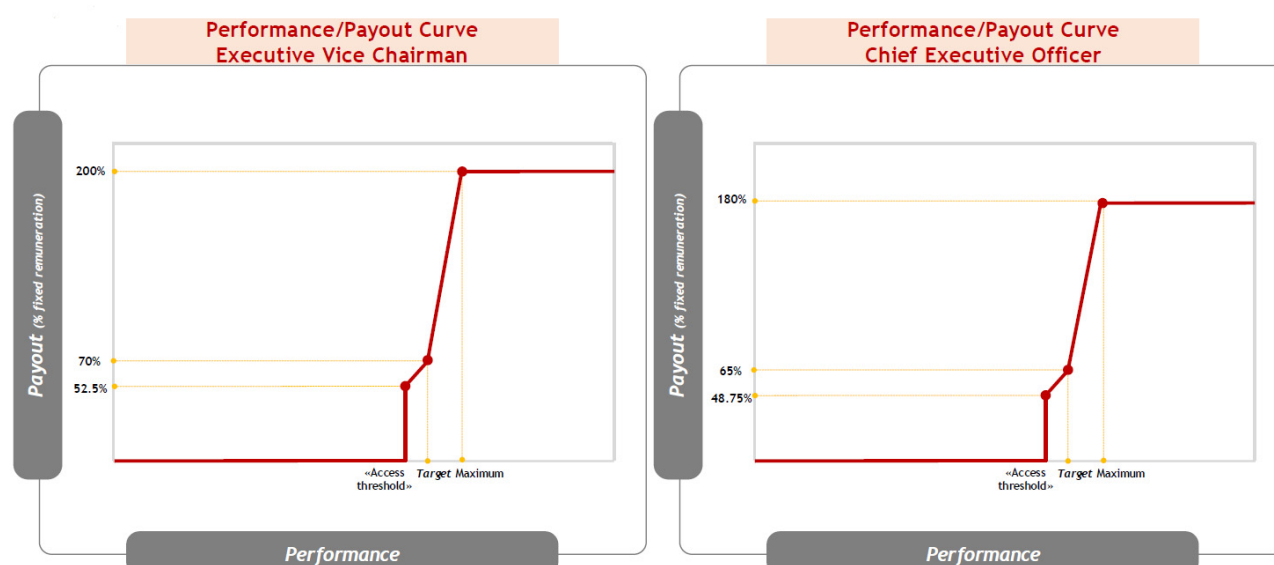
If the Board of Directors is again called to resolve on the LTI incentive percentages for Directors holding specific offices to whom specific duties are also delegated, the Policy allows the allocation of an LTI incentive percentage of no more than 70% on target and 200% maximum.

A minimum level – associated with payment of 75% of the bonus achievable on-target – and a maximum (cap) are envisaged for each objective of the LTI plans.

The performance range for the economic-financial objectives is defined as the more challenging of the target and maximum level with respect to that envisaged between the minimum and target levels. In order to offer an incentive to achieving results above target, the incentive curve is fixed in such a way that the incentive opportunities grow faster between the target and the maximum than in the range between the minimum and the target (see diagram below). All the objectives envisaged on the LTI scorecard shall apply independently, according to the incentive curve shown below. Therefore, according to the performance achieved, each objective will go towards calculating the total payout, on the basis of the weighting shown on the scorecard.

Example curve if all objectives are achieved at minimum, target and maximum level by the Executive Vice Chairman and Chief Executive Officer.

⁸ Note that Andrea Casaluci was appointed Chief Executive Officer of the Company by the Board of Directors on 3 August 2023. For the periods prior to him taking on this role, the pro-rata payment of the STI is based on the incentive percentages and calculation basis set for the General Manager Operations, pursuant to the 2023 Policy.



For the TSR (Total Shareholder Return), cumulative Group Net Cash Flow (before dividends) and CO₂ Emissions objectives, for results falling between the minimum and the target, or between the target and the maximum, performance will be calculated by linear interpolation.

For the Dow Jones Sustainability Index sustainability target, there will be a three-step reporting: minimum, target and maximum, without considering intermediate performance levels.

Within the scope of the 2025-2027 LTI Plan, depending on the level of performance achieved, the Executive Vice Chairman is granted a bonus opportunity of 70% of fixed remuneration for on-target performance, 52.5% of fixed remuneration if the minimum performance is achieved (75% of the on-target bonus), and 200% of the fixed remuneration (cap) in the event of maximum performance.

Depending on the level of performance achieved, the Chief Executive Officer is granted an annual bonus opportunity of 65% of fixed remuneration for on-target performance, 48.75% if the minimum performance is achieved (75% of the on-target bonus), and 180% (cap) in the event of maximum performance. These incentive opportunities are applicable to the 2025-2027 LTI Plan, the 2024-2026 LTI Plan and, pro-rata, to the 2023-2025 LTI Plan.

In the event of termination of office, the LTI Bonus is paid on a pro-quota basis for the effective months of tenure in office⁹.

⁹ Note that Andrea Casaluci was appointed Chief Executive Officer of the Company by the Board of Directors on 3 August 2023. For the periods prior to him taking on this role, the pro-rata payment of the LTI Bonus is based on the incentive percentages and calculation basis set for the General Manager Operations, pursuant to the 2023 Policy.

Office Termination Payment and non-monetary benefits

In addition, the Board of Directors has made the following provision for Directors holding specific offices to whom specific duties are also delegated, in the event that said duties are not related to their executive employment relationship (on the date of this Report, the Executive Vice Chairman Marco Tronchetti Provera and Chief Executive Officer Andrea Casaluci), analogously to the treatment guaranteed pursuant to the law and/or national collective employment agreement for the Group's Italian managers:

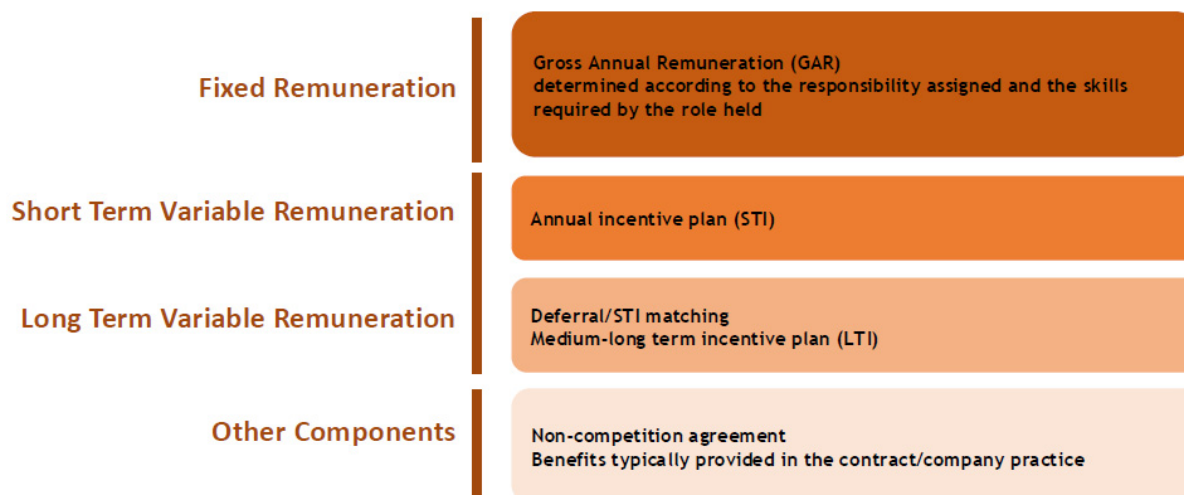
- an Office Termination Payment (T.F.M.) pursuant to Art. 17, paragraph 1, letter c) of the TUIR (Italian consolidated law on income tax) no. 917/1986, with similar characteristics to those typical of Severance Indemnity Payment (TFR) pursuant to Art. 2120 of the Italian Civil Code, comprising:
 - a) an amount equal to the amount that would be due as manager by way of TFR; the basis for calculation consists of the gross annual fixed remuneration received for the specific role held in the Company;
 - b) an amount equal to the contributions paid by the employer that would be due to social security and welfare institutes or funds in the event of a contract of employment as manager *ex lege* and/or National Collective Bargaining Agreement for the Italian Managers of the Group with the same degree of seniority of employment; the basis for calculation consists of the gross annual fixed remuneration received for the specific role held in the Company, in addition to any other payments due by way of medium/long-term annual variable component.

The T.F.M., including the relevant value adjustment of such amounts, will be due as a lump sum at the request of the beneficiary at any time after expiry of each mandate or, in the event of premature death, of his/her assignees. It is understood that in the event that the T.F.M. relates to several expired mandates, the beneficiary shall be entitled to request its disbursement even for only one or some of the expired mandates; for the amounts or the mandates for which disbursement has not been requested, the right to the relevant sums shall accrue in the year in which disbursement is requested by the beneficiary or his/her assignees.

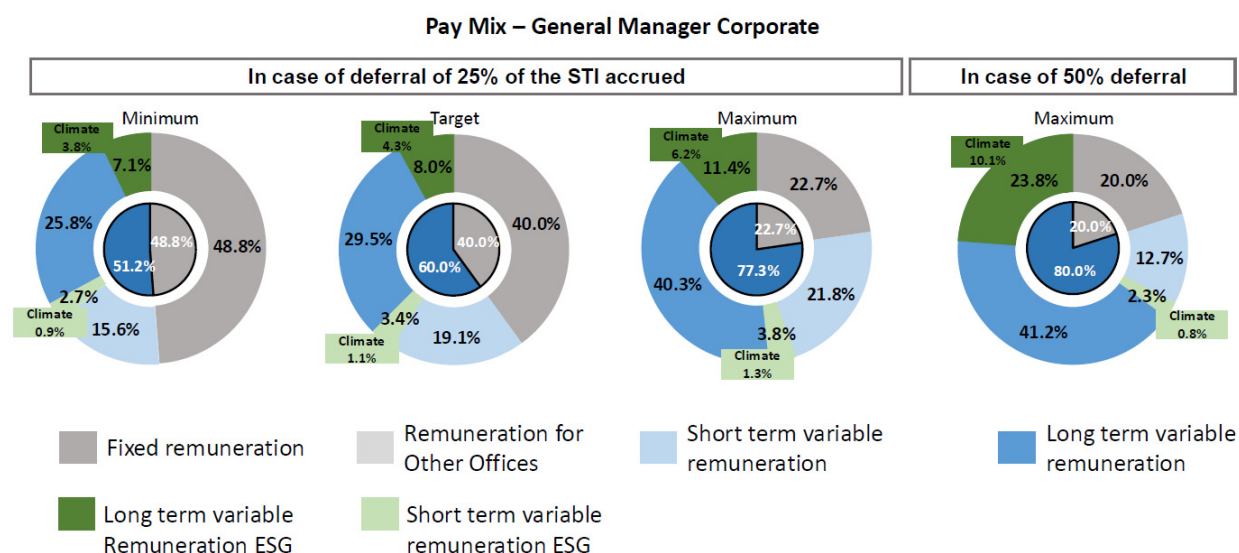
- a compensation allowance for death from any cause and permanent invalidity following illness as well as a compensation allowance for death from any cause and permanent invalidity following accidents, the terms, limits and conditions of which are in line with what was guaranteed for the previous mandate for the Executive Vice Chairman and with Pirelli policies for managers for the Chief Executive Officer. With regard to the Chief Executive Officer, the Policy allows the definition by the Board of Directors of a new compensation allowances framework consistent in structure but still not exceeding what is provided for the Executive Vice Chairman;
- further benefits typical of the role and currently paid within the Group to the General Manager, KMs and Executives (e.g. company car).

5. REMUNERATION OF THE GENERAL MANAGER AND KEY MANAGERS

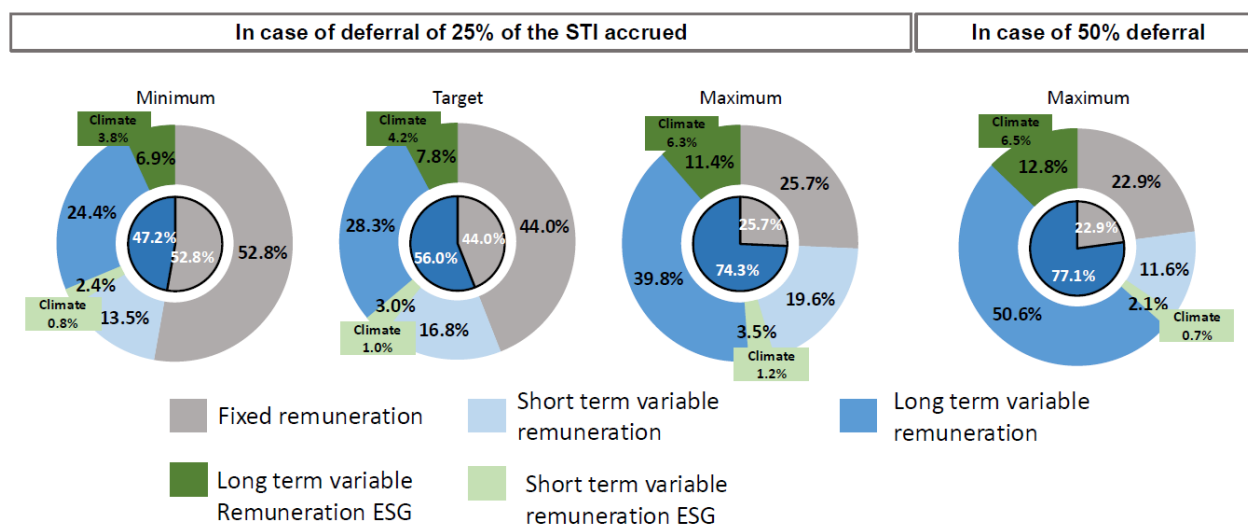
The remuneration of the General Manager (at the date of this Report the Corporate General Manager is Francesco Tanzi) and the other KMs has the following elements:



With regard to the incidence of the various components, the structure of the remuneration package for the Corporate General Manager and the KMs, in the event of achieving the objectives of the 2025 STI Plan and the 2025-2027 LTI Plan at the minimum, target and maximum levels, is shown below, with a particular emphasis on the impact of the ESG objectives on the pay mix.



Pay Mix – KMS



In the case of hiring a new General Manager, in addition to the companies mentioned in paragraph 2, Pirelli may also use the services of other leading companies specialised in executive compensation with the relative methodology and comparison market in view of the complexity and specific nature of the role, after obtaining the agreement of the Remuneration Committee.

In line with best practices, a D&O insurance policy is in place to cover third-party liability for the General Manager and the KMs in the performance of their duties. Consequent to the provisions established on the matter by the applicable National Collective Bargaining Agreement, this policy aims to indemnify Pirelli & C. from any expenses deriving from the related compensation, excluding cases of wilful misconduct or gross negligence.

Fixed remuneration of the General Manager and KMs

The fixed remuneration of the General Manager is determined at the time of appointment by the Board of Directors, based on an opinion provided by the Remuneration Committee, in line with the Policy.

The fixed remuneration of KMs is determined by top management, also in accordance with the Policy, assessed by the Remuneration Committee.

If a new General Manager or a new KM is appointed, the Remuneration Committee determines the Grade and benchmark of reference based on their role and responsibilities, with the support of selected external partners.

For a new General Manager, a fixed remuneration not exceeding 85% of that of the Chief Executive Officer and an Annual Total Direct Compensation on-Target which, taking into account the annual and medium-long term percentages, does not exceed 80% of the Annual Total Direct Compensation on-Target of the Chief Executive Officer.

If KMs are hired, the Policy allows a fixed remuneration not exceeding that of the Corporate General Manager and an Annual Total Direct Compensation on-Target not exceeding +20% of the market benchmark (third quartile).

The proposed revisions of the fixed remuneration are carried out with reference to the purpose of the Policy to attract, retain and motivate key resources to achieve the company's objectives. Subject to the above, a review that, considering the annual and medium/long-term incentive percentages, determines an Annual Total Direct Compensation on-Target equal to at most + 10% of the market benchmark (third quartile), is compliant with the Policy. Otherwise, in the event of non-compliance, the RPT Procedure is applicable.

Annual variable component (STI)

The General Manager and KMs are beneficiaries of the 2025 STI plan defined according to the same objectives as those set for the Directors holding specific offices to whom specific duties are also delegated.

Depending on the level of performance achieved, the table below shows the percentage of the incentive on the gross annual salary:

	<i>Performance</i>	<i>Payout</i>	<i>ESG component</i>
Corporate General Manager	<i>Target</i>	75% of the GAR	11% of payout (climate 4%)
	<i>Maximum</i>	150% of the GAR	23% of payout (climate 8%)
KMs	<i>Target</i>	60% of the GAR	9% of payout (climate 3%)
	<i>Maximum</i>	120% of the GAR	18% of payout (climate 6%)

In the event of hiring a new General Manager, the Remuneration Committee, having as reference the purpose of the Policy to attract key resources for the achievement of corporate objectives, may set incentive percentages higher than those indicated above, provided that they are not higher than those of the Chief Executive Officer. In that case, the RPT Procedure is applicable.

For the General Manager and KMs a percentage of the STI accrued, from a minimum of 25% to a maximum of 50%, is deferred at the end of the three-year period, as stated in paragraph 2 of this 2025 Policy.

Medium-long term variable component (LTI)

In order to contribute to the Company's strategy, the pursuit of long-term interests and the sustainability of the Company, also the General Manager and KMs are beneficiaries of medium/long-term incentive plans and, in particular, of the 2023-2025, 2024-2026 and 2025-2027 LTI Plans. The

LTI plans have the same structure, mechanism and objectives as those set for Directors holding specific offices to whom specific duties are also delegated.

Within the scope of the LTI Plan for the period 2025-2027, depending on the level of performance achieved, the table below shows the percentage of the incentive on the gross annual salary.

	Performance	Payout	ESG component
Corporate General Manager	Target	60% of the GAR	15% of payout (climate 9%)
	Maximum	160% of the GAR	40% of payout (climate 24%)
KMs	Target	55% of the GAR	14% of payout (climate 8%)
	Maximum	145% of the GAR	36% of payout (climate 22%)

In the event of the appointment of a new General Manager, the Remuneration Committee may set incentive percentages higher than those indicated above, provided that they are not higher than those of the Chief Executive Officer. In that case, the RPT Procedure is applicable.

The General Manager and KMs shall cease their participation in the LTI plans and consequently shall not accrue the right to receive bonus payments, not even pro-rata, in the event of (i) termination of employment occurring for any reason before the end of the three-year period and (ii) voluntary resignation without just cause or dismissal for just cause (Bad Leaver) occurring before the payment date.

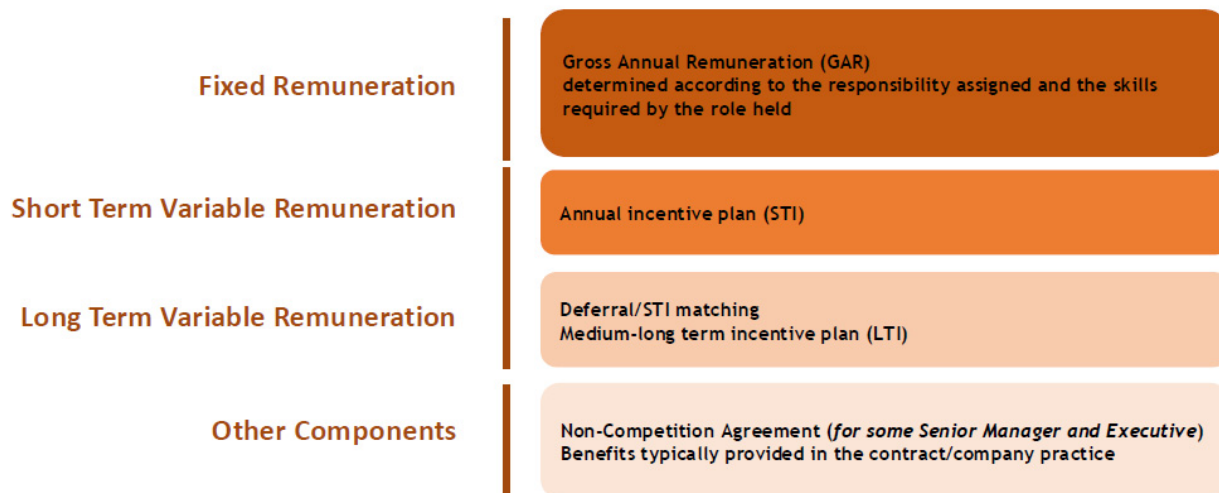
Non-monetary benefits, conventional seniority and welcome bonus

Non-monetary elements of remuneration are benefits provided to the General Manager and KMs as a result of contractual provisions/company policies or aimed at reinforcing attraction during the recruitment phase (e.g. accommodation and student grants for limited periods of time).

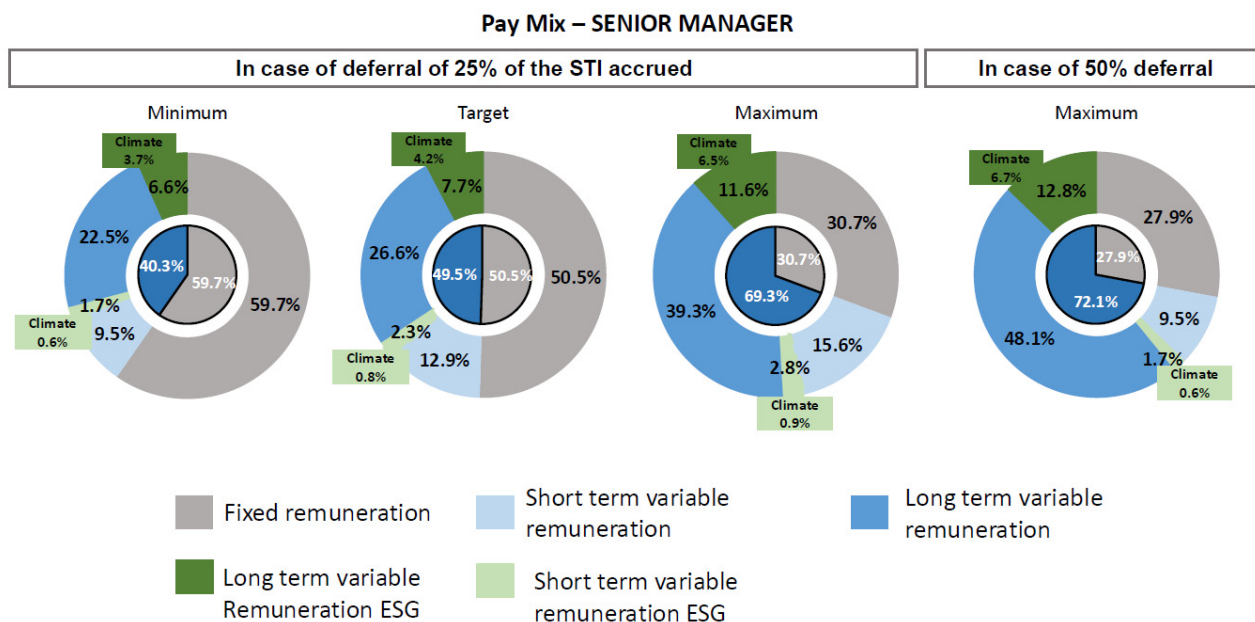
Moreover, if a new General Manager or KM is hired, the Remuneration Committee may establish (i) an agreed seniority recognised on the basis of previous experience in similar roles, (ii) the allocation of a one-off bonus not exceeding the beneficiary's fixed gross annual remuneration.

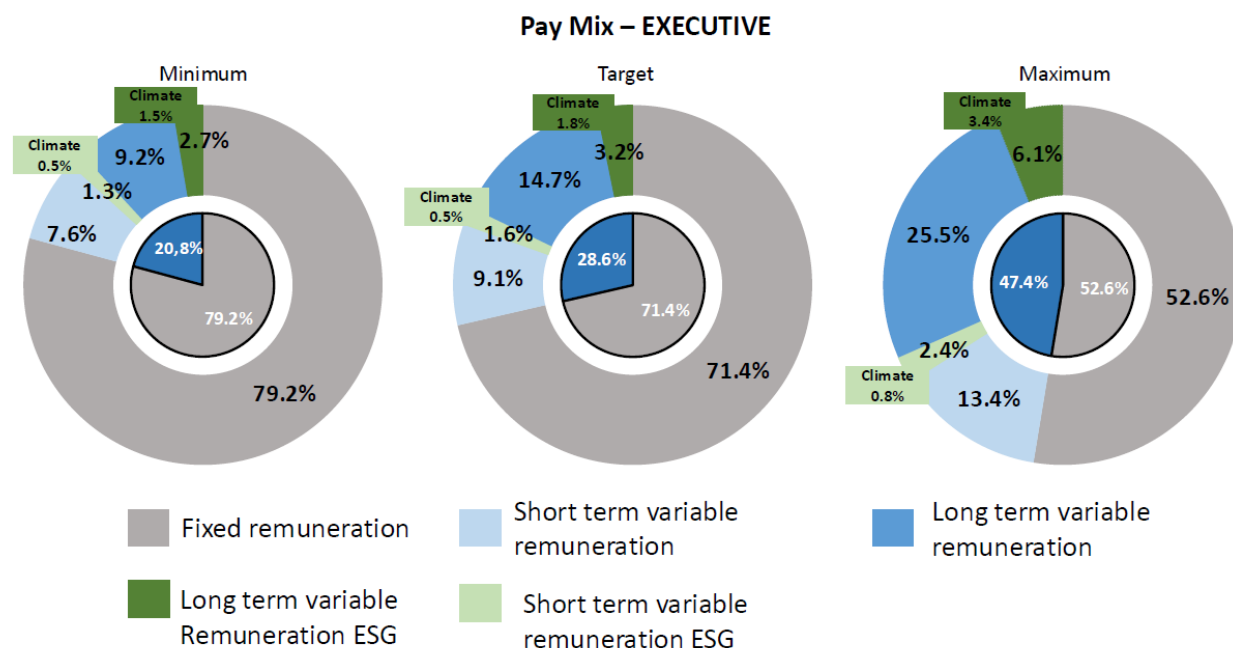
6. REMUNERATION OF SENIOR MANAGERS AND EXECUTIVES

The remuneration of Senior Managers and Executives consists of the following elements:



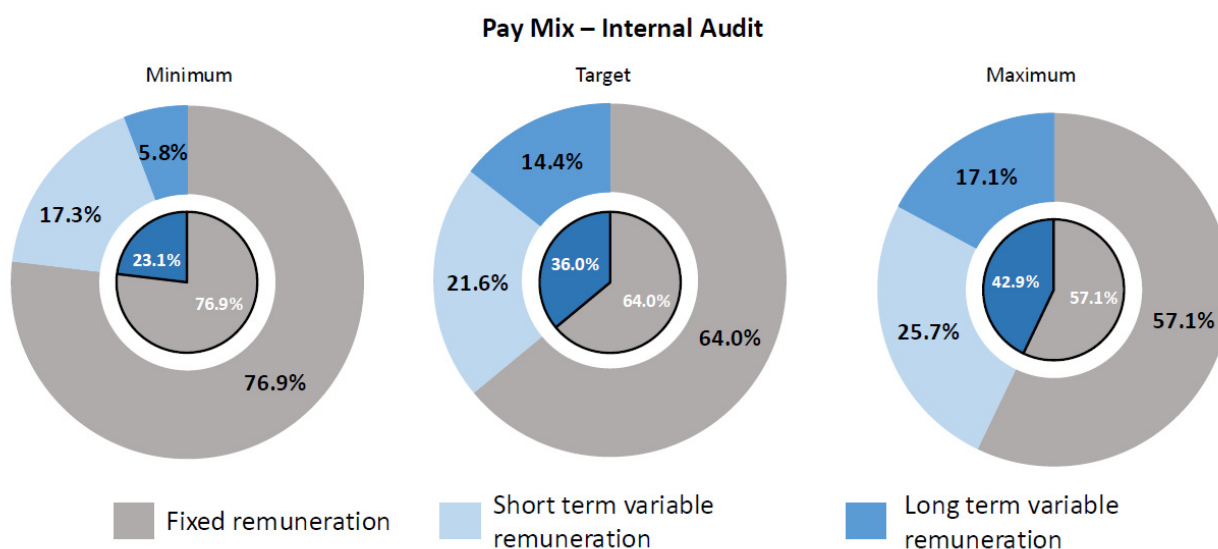
The remuneration structure for Senior Managers and Executives (as a whole) with evidence of the incidence of the various parts of their compensation packages, in the event that they achieve the minimum, target and maximum levels of the objectives of the 2025 STI Plan and those of the 2025-2027 LTI Plan, together with evidence of the incidence of ESG objectives on the pay mix, is shown below.





In line with best practice, a D&O insurance policy is also in place to cover the third-party liability of Senior Managers and Executives in the performance of their duties. Consequent to the provisions established on the matter by the applicable National Collective Bargaining Agreement, this policy aims to indemnify Pirelli & C. from any expenses deriving from the related compensation, excluding cases of wilful misconduct or gross negligence.

For the managers of the Internal Audit department, there is a higher incidence of the fixed component than of the variable component.



Annual variable component (STI)

Senior Managers and Executives are beneficiaries of the 2025 STI Plan, defined according to the same structure as for the Executive Vice Chairman, the Chief Executive Officer, the General Manager and the KMs. For the year 2025, the objectives assigned to Senior Managers and Executives are as shown in the table below:

Senior Manager/ Executive Headquarter			Senior Manager/ Executive of Region/ BU		
2025 STI Plan	Objective	Weight	2025 STI Plan	Objective	Weight
ON/OFF Condition	Group Net Cash Flow (before dividends)		ON/OFF Condition	Group Net Cash Flow/ Region	
	Region DSO for Commercial Resp.*				
Business Objectives	Group EBIT Adj. Group Net Cash Flow (before dividends)	25%	Business Objectives	KPI with Group Scope	10-35%
		20%		EBIT Adjusted of Region / BU	25%
Functional Objectives	Functional Objectives with Group Scope	40%		Net Cash Flow of Region	10- 25%
Sustainability Objectives**	Eco & Safety Volumes		Functional Objectives	Functional Objectives	Up to 40%
	DE&I: Women in Management positions	15%	Sustainability Objectives**	Eco & Safety Volumes	
	HSE: Frequency Index			DE&I: Women in Management positions	15%
				HSE: Frequency Index	

* If the on/off NCF Region or DSO condition is not met, the on/off Group condition will apply with a 25% reduction of the payout accrued.

** The Senior Managers and Heads of Region have all three sustainability objectives, each with a 5% weighting. The other Executives can have between one and three sustainability objectives still guaranteeing at least 15 points, depending on the professional family they belong to.

According to the performance level achieved, the Senior Managers and Executives are assigned the following incentive percentages:

	Range	ESG component
% at target	15% - 40%	2% - 6% (climate 1% - 2%)
% at maximum	30% - 80%	5% - 12% (climate 2% - 4%)

For selected Senior Managers, as for General Manager and KMs, a percentage of the STI accrued is deferred as stated in paragraph 2 of this 2025 Policy.

For the remaining Senior Managers and Executives, 75% of the accrued bonus is paid, and the remaining 25% is deferred for 12 months and subject to achievement of the STI Plan objectives for the following year, according to the same mechanism envisaged for the Directors holding specific offices to whom specific duties are also delegated.

Medium-long term variable component (LTI)

Senior Managers and Executives (with a Korn Ferry Grade of 20 or more) are beneficiaries of the medium/long-term incentive plan so as to contribute to the Company's strategy and sustainability, and the pursuit of its long-term interests. The 2023-2025, 2024-2026 and 2025-2027 LTI Plans are

defined according to the same structure, mechanisms and objectives as envisaged for the Directors holding specific offices to whom specific duties are also delegated, General Manager and KMs.

Within the scope of the LTI Plan for the period 2025-2027, on the basis of the performance level achieved, Senior Managers and Executives are paid the following incentive percentages:

	Range	ESG component
% at target	15% - 50%	4% - 13% (climate 2% - 8%)
% at maximum	40% - 130%	10% - 33% (climate 6% - 20%)

Senior Managers and Executives shall cease their participation in the LTI plans and consequently shall not accrue the right to receive bonus payments, not even pro-rata, in the event of (i) termination of employment occurring for any reason before the end of the three-year period and (ii) voluntary resignation without just cause or dismissal for just cause (Bad Leaver) occurring before the payment date.

Non-monetary benefits

Non-monetary elements of remuneration are benefits provided to Senior Managers and Executives as a result of contractual provisions/company policies or aimed at reinforcing attraction during the recruitment phase (e.g. accommodation and student grants for limited periods of time).

7. CLAWBACK CLAUSES

The annual STI and medium-long term (LTI) incentive plans for Directors holding specific offices to whom specific duties are also delegated, the General Manager and KMs provide inter alia for clawback mechanisms.

In particular, without prejudice to the possibility of any other action permitted by the order to protect the interests of the Company, contractual agreements will be signed with the aforementioned persons, enabling Pirelli to claim back (in whole or in part), within three years of the payment thereof, incentives paid to persons who, due to wilful misconduct or gross negligence, are held responsible for (or are accomplices to) the facts, as indicated below, related to economic and financial indicators included in the annual financial report that involve subsequent comparative information adopted as parameters for the determination of the variable awards in the aforementioned incentive plans:

- proven significant errors resulting in non-compliance with the accounting standards applied by Pirelli, or;

- proven fraudulent conduct aimed at obtaining a specific representation of Pirelli's financial and equity situation, economic result, or cash flow.

8. COMPENSATION IN THE EVENT OF RESIGNATION, DISMISSAL OR TERMINATION OF RELATIONS

It is Pirelli Group policy not to enter into with Directors, General Managers, KMs, Senior Managers or Executives agreements regulating economic aspects related to any early termination of relations in retrospect at the initiative of the Company or the individual.

Pirelli aims at agreements to "terminate" relations in a consensual manner. Without prejudice to any legal and/or contractual obligations, agreements to end relations with the Pirelli Group are inspired by the benchmarks in the matter and are within the limits laid down in case law and by the practices in the country in which the agreement was signed.

The company sets its own internal criteria, with which the other Group companies also comply, for managing early termination agreements of relations with managers and/or those of Directors holding specific offices. If Directors holding special offices with delegated powers or a General Manager should cease to hold office and/or their employment be terminated, the Company will, upon completion of the internal processes that lead to the attribution or award of indemnities and/or other benefits, provide detailed information on the issue, by means of a press release disseminated to the market.

As regards Directors holding specific offices to whom specific duties are also delegated, and who are not bound by executive employment contracts, Pirelli provides for the payment of a specific benefit, following evaluation by the competent corporate bodies, in the cases described below.

Regarding the Executive Vice Chairman:

- early termination of office by the Company for other than just cause;
- early termination by the director for just cause, including but not limited to substantial changes to the role or duties attributed and/or cases of a "hostile" takeover bid.

In such cases, the indemnity amounts to 24 months of gross salary, i.e. the sum of (i) the base remuneration for the duties performed in the Group, (ii) the average variable remuneration (STI) accrued in the previous three years and (iii) severance pay on the aforementioned amounts.

With regard to the Chief Executive Officer Andrea Casaluci, a benefit is payable in the following cases:

- early termination of office by the Company for other than just cause;

- early termination by the director for just cause, including but not limited to substantial changes to the role or duties attributed and/or cases of a “hostile” takeover bid;
- termination of office due to completion of term of office without a subsequent re-appointment proposal.

This benefit amounts to 24 months of the gross remuneration, meaning the sum of (i) the fixed remuneration for the main office and (ii) the STI variable remuneration at target.

As regards the General Manager and KMs, agreements for consensual termination of employment are submitted to the Remuneration Committee (also acting as the Related-Party Transactions Committee on remuneration) which, after assessing compliance with the Policy, authorises the negotiation and determines the maximum amount payable, including the potential retention of non-monetary benefits for a predetermined period of time.

The closure amounts are determined with reference to the applicable category national collective bargaining agreements. In particular, reference is made to the contract for Industry managers in Italy and the incentive to take voluntary redundancy is determined with reference to the number of months of notice reimbursable by entities and supplementary indemnity in the event of arbitration, depending on the employee’s length of service in the Group. Below is an explanatory table:

No. months		Arbitration Panel	
Years of seniority at Pirelli	Notice	Min	Max
more than 15 years	12	18	24
up to 15 years	10	12	18
up to 10 years	8	8	12
up to 6 years	6	4	8
up to 2 years	6	4	4

Subject to the review, evaluation and approval of the Remuneration Committee (also acting as the Related-Party Transactions Committee on remuneration), the General Manager and the KMs may also be granted:

- an additional amount by way of general and novative transaction, within the limits of the low thresholds established for related party transactions;
- a period of paid leave or equivalent substitute indemnity between the stipulation of the exit agreement and the effective date of termination of employment.

A consultancy (or collaboration) contract may be entered into between Directors holding specific offices to whom specific powers are also delegated, the General Manager and the KMs and a Group company, for a predefined period following the termination of their office and/or employment

relationship and subject, also in this case, to evaluation and approval by the Remuneration Committee (also acting as Related-Party Transactions Committee on remuneration).

The remuneration due to the General Manager and the KMs for any positions held on the Board of Directors is not included in the calculation of severance pay.

Finally, as regards the short term incentive (STI) and medium-long term (LTI) incentive system:

- for Directors holding specific offices to whom specific duties are also delegated and who cease to hold office a pro-rata payment of the STI Bonus, and LTI Bonus for the actual months of tenure of the office is provided for;
- for the General Manager, the KMs, Senior Managers and Executives, in the event of termination of employment, the STI Bonus will be paid pro-rata, for the actual months of employment, subject to a minimum period of 9 months in the year, except in the case of dismissal for just cause, where no amount will be paid. There is no payment of the LTI bonus, not even pro rata, in the event of termination for any reason before the end of the three-year period; there is also no payment in the event of voluntary resignation without just cause or dismissal for just cause (Bad Leaver) before the payment date.

9. NON-COMPETITION AGREEMENT

The Group enters into non-competition agreements providing for a payment to the General Manager, KMs and, Senior Managers and Executives¹⁰ for particularly crucial duties, in proportion to the GAR in relation to the duration and extent of the constraints arising from the agreement itself. The Group also reserves the right, subject to authorisation by the Board of Directors, to enter into non-competition agreements with Directors holding specific offices to whom specific duties are also delegated.

The constraints refer to the market sector in which the Group was operating when the agreement was made and to territorial size. The extent varies according to the role held when the agreement is finalised and may go as far, in certain cases deemed particularly critical, such as in the case of Directors holding specific offices to whom specific duties are also delegated, the General Manager and KMs, as to have a geographical extension covering all the main countries in which the Group operates.

The Executive Vice Chairman is not subject to a non-competition agreement.

¹⁰ Reference is made, in particular, to critical know-how in terms of technical skills in research and development and manufacturing as well as in sales.

In the case of the Chief Executive Officer, the General Manager and KMs, the non-competition agreement has the following characteristics:

- the list of competitors: companies operating in the tyre sector and, according to the role held, identification of more specific clusters;
- geography: all the main countries in which the Pirelli Group operates;
- the duration of the non-competition agreement: 24 months from the termination of office/contract;
- the fee: from a minimum of 50% to a maximum of 170% of the fixed remuneration on the basis of the role held, the technical skills, the specialised know-how and the reason for leaving, for the period of the restriction, less any portion paid during the contract of employment, amounting to between 10% and 15% of the fixed remuneration per year of validity of the agreement (usually 5 years). When hiring a new General Manager, the consideration for the non-competition agreement may be determined as a percentage also above 170% of the fixed remuneration and in any case not above 200% and, in this case, the annual payment during employment may be a maximum of 20% of the fixed remuneration.

	Bad Leaver Range	Good Leaver Range
Fee for the restriction period	50% - 70%	130% - 170%
Annual payment	10% - 15%	

10. EXCEPTIONS TO THE REMUNERATION POLICY

In compliance with Art. 123-*ter* of the TUF and Art. 84-*quater* of the Issuers' Regulation, the Company may adopt any decisions that temporarily make an exception to the Policy.

With reference to parties for whom the Board of Directors defines remuneration in accordance with the Policy, in the presence of exceptional circumstances, it is possible to make a temporary exception to the fixed or variable remuneration criteria indicated in the Policy or the structure of non-competition agreements and the attribution of non-monetary benefits.

Exceptional circumstances are situations in which an exception to the Policy is necessary for the purposes of pursuing the long-term interests and sustainability of the Company as a whole or to ensure its ability to stay on the market, such as, for example (i) the need to replace, due to unforeseen events, the Chief Executive Officer, General Manager or KMs and to negotiate a remuneration package quickly, without limits to the possibility of attracting managers with the most suitable professional skills to manage the business and to ensure that the same levels of sustainable success and market positioning are at least maintained; (ii) significant changes in the scope of the company's business during the term of the policy, such as the sale of a company/business unit or acquisition of a significant business.

The Remuneration Committee assesses the existence of exceptional circumstances that allow for a derogation from the Policy. In exceptional circumstances, derogations to the Policy are approved in

compliance with the procedures adopted by the Company for related party transactions, in implementation of the applicable current Consob regulation *pro-tempore*.

The Company provides information about any derogations to the Policy applied in exceptional circumstances, in accordance with the terms and conditions of current provisions of law and regulations *pro-tempore*.

11. OTHER INFORMATION

Pursuant to Scheme 7-*bis* of Annex 3A of the Issuers' Regulation, note that:

- Pirelli has no shareholder incentive plans in place;
- in defining the 2025 Policy, Pirelli has not used the specific remuneration policies of other companies as a benchmark. The Policy has been prepared on the basis of scheme no. 7-*bis* adopted by Consob and in force as at the date on which the Policy was approved. This scheme establishes that the section of the Report provided for by Art. 123-*ter* with reference to members of the governing bodies, General Manager and KMs, shall contain at least the information set out in the scheme referred to above.

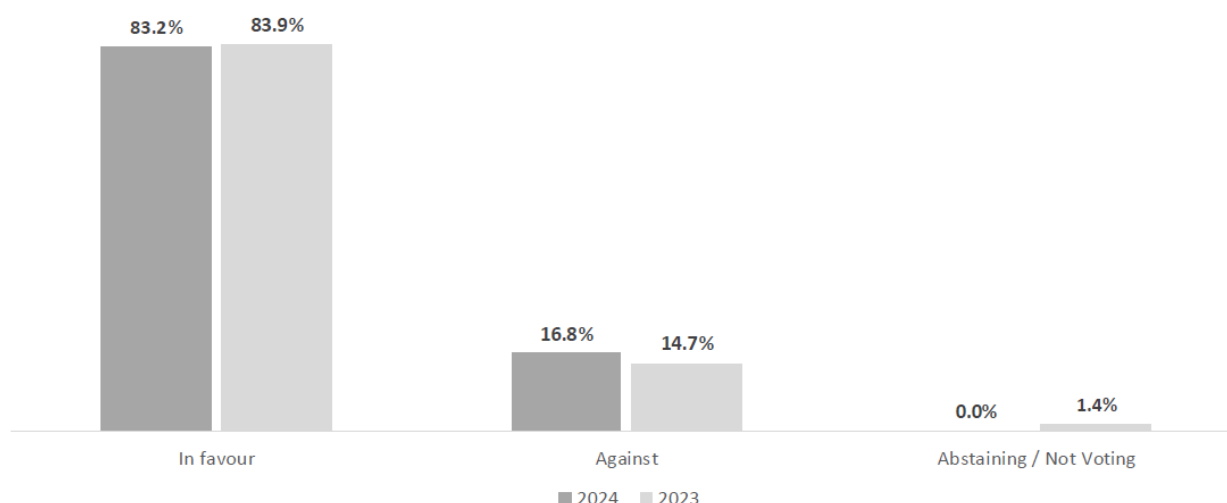
REPORT ON COMPENSATION PAID IN 2024

1. ILLUSTRATION OF REMUNERATION COMPONENTS

The Report on Compensation Paid illustrates the remuneration policy approved by the Shareholders' Meeting of Pirelli & C. on 28 May 2024, implemented by the Pirelli Group during the 2024 financial year in relation to remuneration. In particular, the 2024 Report on Compensation Paid provides an overview of the remuneration paid to the different types of stakeholders, in accordance with the transparency obligations of the applicable legal or regulatory provisions, and gives evidence of compliance with the 2024 Policy.

The subject appointed to carry out the external audit of the financial statements verifies that the Directors have prepared the Report on Compensation paid. The Shareholders' Meeting resolves on the second section of the Report (i.e. the 2024 Report on Compensation Paid) with an advisory vote.

In implementing the 2024 Policy, the Company took into account the vote cast by the Shareholders' Meeting held on 28 May 2024, which voted in favour of the Report on Compensation Paid in 2023. The chart below shows the result of the advisory vote in 2024 on the compensation paid in 2023 and in 2023 on the compensation paid in 2022.



1.1 TOTAL REMUNERATION

The following are represented in this Report on Compensation Paid:

- the remuneration paid with reference to the financial year 2024 to the members of the Board of Directors in office;
- the remuneration paid with reference to the financial year 2024 to the KMs;
- the remuneration paid with reference to the financial year 2024 to the members of the Board of Statutory Auditors appointed by the Shareholders' Meeting on 28 May 2024 (the **"2024-2026 Term of Office"**);
- the remuneration paid with reference to the financial year 2024 to the members of the Board of Statutory Auditors whose term of office ended with the approval of the financial statements as of 31 December 2023 (the **"2021-2023 Term of Office"**).

Fixed Remuneration

Directors holding no specific offices

Pursuant to the 2023 Policy, for Directors not holding specific offices, the Shareholders' Meeting of 31 July 2023 resolved to establish, for the years 2023, 2024, 2025 and until the end of their term of office coinciding with the approval of the financial statements as at 31 December 2025, a total annual Board of Directors' remuneration in accordance with Art. 2389, paragraph 1 of the Italian Civil Code, of up to 2.5 million euros, excluding the remuneration to be allocated by the Board to Directors holding specific offices, as envisaged by Art. 2389 of the Italian Civil Code. This total remuneration includes remuneration for the office held and the fees due for participation in the board Committees, as resolved by the Board of Directors on 3 August 2023.

On 3 August 2023, the Company's Board of Directors resolved to grant each Director not holding specific offices a gross annual remuneration of 75,000 euros.

Directors holding specific offices

Chairman Jiao Jian, appointed by the Shareholders' Meeting on 31 July 2023, expressed his willingness not to receive any remuneration from the Company for the offices held. Therefore, the Board of Directors' meeting of 13 September 2023 resolved not to proceed with the allocation of any remuneration as provided for the 2023 Policy for the offices held by him (Director, Chairman of the Board of Directors and member of the Strategies Committee and Sustainability Committee) during his term of office.

In accordance with the 2024 Policy, the Executive Vice Chairman Marco Tronchetti Provera was allocated a gross annual fixed remuneration for the office of 2,400,000 euros, as approved by the Board of Directors on 13 September 2023, as well as the remuneration for the offices of Director, Chairman of the Strategies Committee, Chairman of the Appointments and Successions Committee and Chairman of the Sustainability Committee approved by the Board of Directors on 3 August 2023¹¹.

In accordance with the 2024 Policy, the Chief Executive Officer Andrea Casaluci was paid a gross annual fixed remuneration for the office of 1,100,000 euros, approved by the Board of Directors on 13 September 2023, as well as remuneration for the offices of Director and member of the Strategies Committee and Sustainability Committee, approved by the Board of Directors on 3 August 2023.

KMs

The Corporate General Manager Francesco Tanzi, in line with the resolution passed by the Board of Directors on 3 August 2023 and as provided for by the 2024 Policy, was paid a gross annual remuneration of 750,000 euros.

The other KMs were paid an aggregate gross annual salary of 2,665,000 euros¹².

Auditors

Term of Office 2021-2023

The Statutory Auditors appointed by the Shareholders' Meeting of 15 June 2021 were paid remuneration in the amount of 90,000 euros gross per annum for the Chairman and 75,000 euros gross per annum for the Statutory Auditors - received pro-rata until the date of termination of office due to completion of their term of office - as approved by the aforementioned Shareholders' Meeting and without prejudice to the provisions of Article 2402 of the Italian Civil Code. The Statutory Auditor appointed as a member of the Supervisory Board - as resolved by the Board of Directors on 3 August 2023 - was also paid an annual gross remuneration of 50,000 euros, received pro-rata until the date of termination of office due to completion of his term of office.

Term of Office 2024-2026

The Statutory Auditors appointed by the Shareholders' Meeting of 28 May 2024 were paid remuneration in the amount of 135,000 euros gross per annum for the Chairman and 95,000 euros gross per annum for the Statutory Auditors - received pro-rata from the date of appointment - as approved by the aforementioned Shareholders' Meeting and without prejudice to the provisions of

¹¹ Note that this remuneration was paid to the relevant company.

¹² As of 31 December 2024, in addition to the Corporate General Manager (Francesco Tanzi), 6 KMs were in office.

Article 2402 of the Italian Civil Code. The Statutory Auditor appointed as a member of the Supervisory Board - as resolved by the Board of Directors on 1 August 2024 - was also allocated an annual gross remuneration of 50,000 euros, received pro-rata from the date of appointment¹³.

The fixed remuneration amounts described above are shown in the respective columns of Table 1.

For further details, please refer to paragraphs 3, 4 and 5 of the 2024 Policy, paragraphs 3 and 4 of the 2023 Policy and paragraph 3 of the 2022 Policy.

Variable remuneration

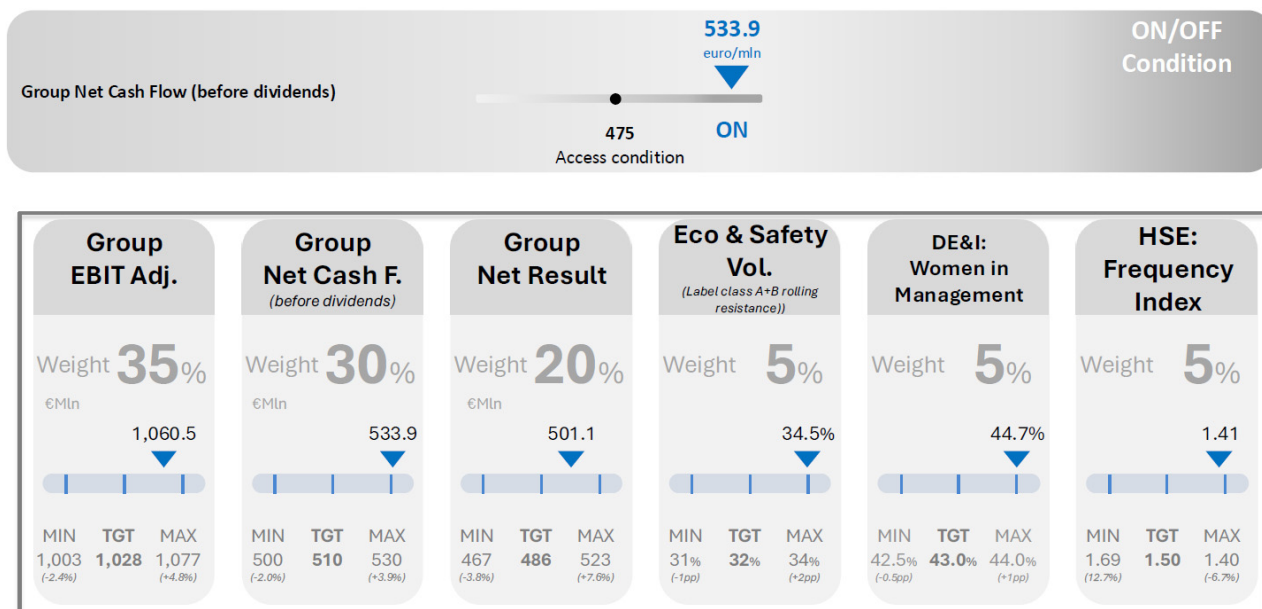
Management remuneration - with the exception of the Chairman of the Board of Directors - accrued with reference to the 2024 financial year contributed to the sustainability of the Company's long-term results thanks to its variable components (both short-term and medium-long term) represented by the 2024 STI plan, including the deferral/matching mechanism, and the 2022-2024 LTI Plan.

In this regard, with reference to the final figures of the 2024 STI and the 2022-2024 LTI, results exceeded expectations despite a macro-economic context characterised by continuing geopolitical tensions, with consequent volatility of the external scenario, as reported in the directors' report on operations.

¹³ On 1 August 2024, the Board of Directors resolved to appoint Ms Maura Campa, in her capacity as a member of the Board of Statutory Auditors (appointed by the Shareholders' Meeting of 28 May 2024), to the Supervisory Board, replacing Ms Antonella Carù, who ceased to be a member of the Board of Statutory Auditors following the completion of her term of office.

Annual variable remuneration STI

With reference to the 2024 STI Plan, the table below summarises the final figures of the performance targets for the year in relation to the targets set.



In light of the results achieved, the payout percentage accrued by each beneficiary in respect of the 2024 STI plan stands at the values shown in the table below.

	% on fixed remuneration
Executive Vice President	TGT 125% MAX 250% 219.8%
Chief Executive Officer	TGT 110% MAX 220% 193.5%
General Manager Corporate	TGT 75% MAX 150% 131.9%
Key Managers	TGT 60% MAX 120% 105.5%

Note that the amounts accrued under the 2024 STI shall be paid in accordance with the procedures and mechanisms indicated below, in accordance with the 2024 Policy.

Directors holding specific offices to whom specific duties are also delegated

In accordance with the 2024 Policy, during the financial year 2025, the Executive Vice Chairman will be paid 75% of the accrued incentive upfront, while the payment of the remaining 25% is deferred for 12 months and put at risk/opportunity as it is subject to the achievement of the STI targets for the year 2025 as defined in the 2025 Policy. For this reason, neither the deferral quota nor any company matching are shown in the “Bonuses and other incentives” column of Table 1. Also note that, in accordance with the 2023 Policy and based on the level of achievement of the 2024 STI results, the 2023 STI portion that had been deferred together with the company matching component (both components shown in the “Bonuses and other incentives” column of Table 1) is also disbursed.

In accordance with the 2024 Policy, during the financial year 2025, the Chief Executive Officer Andrea Casaluci will be paid 75% of the accrued incentive upfront, while the payment of the remaining 25% is deferred for 12 months and put at risk/opportunity as it is subject to the achievement of the STI targets for the year 2025 as defined in the 2025 Policy. For this reason, neither the deferral quota nor any company matching are shown in the “Bonuses and other incentives” column of Table 1. Also note that, in accordance with the 2023 Policy and based on the level of achievement of the 2024 STI results, the 2023 STI portion, accrued pro-rata temporis from the date of appointment¹⁴, that had been deferred together with the company matching component (both components shown in the “Bonuses and other incentives” column of Table 1) is also disbursed. Finally, it is important to note that, in line with the 2021 Policy and the Board of Directors’ resolution of 13 September 2023, during the 2025 financial year, the portion of the 2021 STI earned as General Manager Operations, which had been deferred along with the company matching component, will also be paid to the Chief Executive Officer. These amounts are not shown in the ‘Bonuses and other incentives’ column of Table 1, as they have already been accounted for in the 2021 Remuneration Report.

KMs

The 2024 STI of Corporate General Manager Francesco Tanzi, and the other KMs is subject to the co-investment mechanism as defined in the 2024 Policy, which provides for the deferral of a portion of the accrued incentive that can vary from a minimum of 25% to a maximum of 50%, depending on the individual choice. This deferred portion will be paid in 2028 subject to continued employment up to 31 December 2027, together with a company matching component that can vary from a minimum of 0.8 to a maximum of 1.2 times the deferred amount. Since the amount of the deferred portion and

¹⁴ Note that the Board of Directors meeting of 3 August 2023 appointed Andrea Casaluci as Chief Executive Officer.

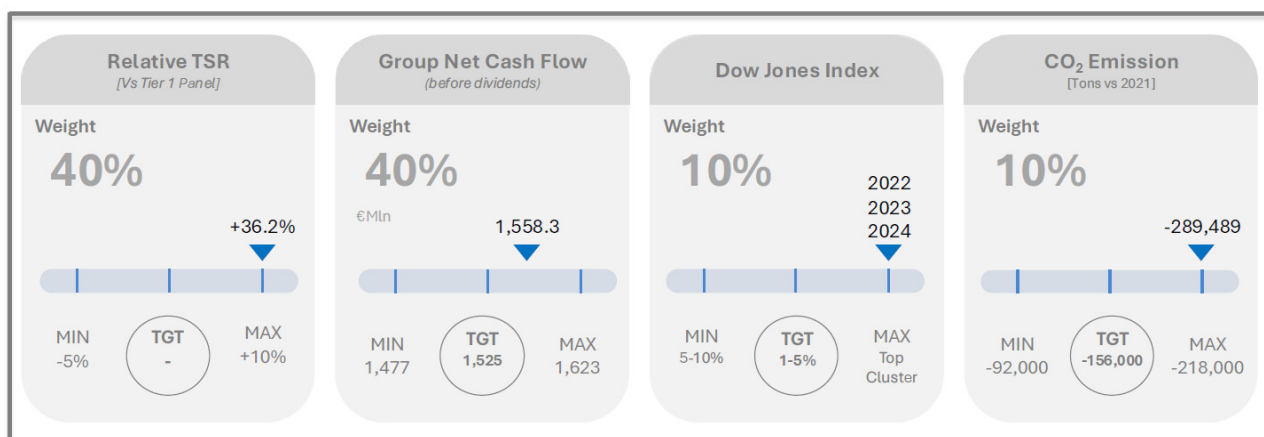
the company matching are already determined as they are not subject to further performance conditions, both components are shown in the “Bonuses and other incentives” column of Table 1.

It should be noted that, in line with the 2021 Policy and given the fulfilment of the continued employment condition in 2024, the portion of the 2021 STI that was deferred, along with the company matching component, will also be paid to the incumbent KMs in the 2025 financial year. These components are not included in the ‘Bonuses and other incentives’ column of Table 1, as they have already been accounted for in the same table of the 2021 Remuneration Report.

For further details, please refer to paragraphs 2, 4 and 5 of Policy 2024, paragraphs 2 and 4 of Policy 2023 and paragraphs 2 and 5 of Policy 2021.

Medium-long term variable remuneration (LTI)

With reference to the 2022-2024 LTI Plan, the table below summarises the final figures of the performance targets for the three-year period in relation to the targets set. Note that the LTI 2022-2024 Plan did not provide for an ON/OFF condition.



In light of the results achieved, the payout percentage accrued by each beneficiary in respect of the 2022-2024 LTI Plan stands at the values shown in the table below.

	% on fixed remuneration	
Executive Vice President	TGT 70% MAX 200%	165.6%
Chief Executive Officer	TGT 65% MAX 180%	116.4%^[*]
General Manager Corporate	TGT 60% MAX 160%	63%^[**]
Key Managers	TGT 55% MAX 145%	110.6%^[***]

[*] The percentage, related to the fixed remuneration of the Chief Executive Officer, is calculated pro-rata temporis for the respective periods of tenure in the offices of General Manager Operations and Chief Executive Officer, on the respective fixed remuneration and incentive percentages.

[**] The percentage considers the re-proportioning on the months of actual participation in the Plan from the date of hire.

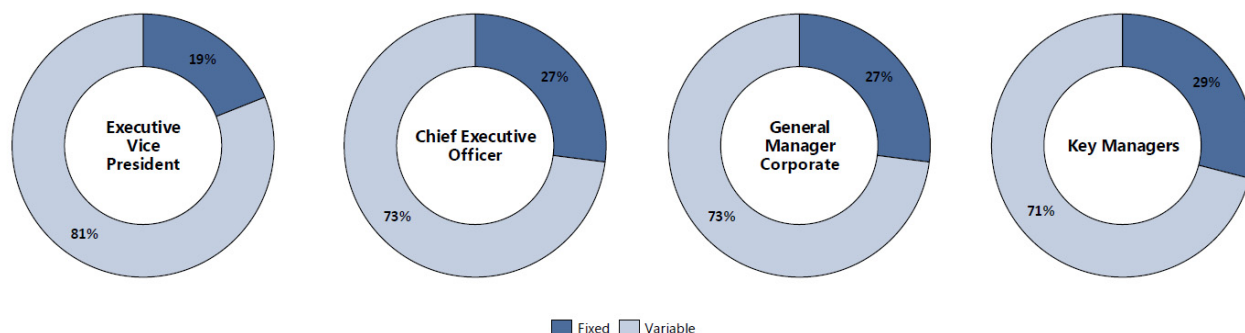
[***] The percentage considers the evolution of the incentive percentages over the three-year period applied pro-rata temporis.

Note that the amounts accrued under the 2022-2024 LTI plan are disbursed in a single payment during the financial year 2025, in accordance with the 2022 Policy.

The above amounts for the STI 2024 and LTI 2022-2024 Plans are shown in the respective items in Tables 1 and 2.

Finally, the following graph shows the proportion of fixed and variable remuneration¹⁵ achieved in relation to the 2024 results for STI and of 2022-2024 results for LTI for top management figures.

¹⁵ Corresponding for the fixed part to the items represented in the "Fixed remuneration" and "Remuneration for participation in committees" columns and for the variable part to the items represented in the "Bonuses and other incentives" column of Table 1.



Other remuneration

It should be noted that for the Chief Executive Officer, the Corporate General Manager, KMs and more generally other selected Senior Managers and Executives, Pirelli has introduced non-competition agreements to protect the Group's strategic and operational know-how.

On the other hand, it should be noted that the Executive Vice Chairman is not subject to a non-competition agreement.

For further details, see paragraph 9 of the 2024 Policy and Table 1 for further details of the other remuneration.

1.2 INDEMNITY IN THE EVENT OF TERMINATION OF OFFICE AND/OR TERMINATION OF EMPLOYMENT DURING THE YEAR 2024

In 2024 there were no cases of termination of office of directors or members of the Board of Statutory Auditors and/or termination of employment of General Managers or KMs leading to the allocation of indemnities and/or other benefits.

Regarding the termination of the office of Executive Vice Chairman and Chief Executive Officer at the Shareholders' Meeting on 31 July 2023, it should be noted that Executive Vice Chairman Marco Tronchetti Provera has the right to request partial or total disbursement of his T.F.M.. During the 2024 financial year, he requested the partial disbursement of a portion amounting to 4 million euros gross, as shown in Table 1. For amounts or mandates for which disbursement has not yet been requested, the right to the relevant sums shall accrue in the year in which disbursement is requested.

1.3 EXCEPTIONS TO THE 2024 POLICY

It should be noted that there were no exceptions to the 2024 Policy for Directors, General Managers, KMs and members of the Board of Statutory Auditors.

1.4 CLAWBACK CLAUSES

It should also be noted that during the year the conditions for the application of the mechanisms for *ex post* repayment of the variable component (claw-back clause) envisaged by the annual STI and medium-long term (LTI) incentive plans did not occur.

1.5 COMPARISON INFORMATION

Below is a summary of the comparative information for the last five years: (i) of the remuneration of the Executive Vice Chairman, the Chief Executive Officer and the Corporate General Manager, (ii) of the Company's results, (iii) of the average remuneration of Pirelli & C. employees.

Annual variation in remuneration and performance

Values in €

	2024	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019
Executive Vice Chairman						
	<i>Actual Total Cash^[1]</i>				<i>Change</i>	
Marco Tronchetti Provera	13,423,002	-7%	-28%	167%	234%	-47%
CEO						
	<i>Actual Total Cash^[1]</i>				<i>Change</i>	
Andrea Casaluci	4,562,294	16%	-17%	69%	292%	-33%
Corporate General Manager						
	<i>Actual Total Cash^[1]</i>				<i>Change</i>	
Francesco Tanzi	2,805,830	154%	-	-	-	-
Board of Directors						
Name	Office	<i>Actual Total Cash^[1]</i>			<i>Change</i>	
Jiao Jian ^[2]	Chairman	0	-	-	-	-
Chen Aihua	Director	170,000	140%	-	-	-
Chen Qian	Director	110,000	140%	-	-	-
Haitao Zhang	Director	135,000	21%	18%	0%	100%
Paola Boromei	Director	110,000	9%	7%	0%	100%
Alberto Bradanini	Director	145,000	140%	-	-	-
Domenico De Sole	Director	135,000	-4%	-3%	0%	19%
Michele Carpinelli	Director	190,000	140%	-	-	-19%
Grace Tang	Director	115,000	140%	-	-	-
Roberto Diacetti	Director	145,000	25%	22%	0%	100%
Giovanni Lo Storto	Director	190,000	5%	4%	0%	38%
Marisa Pappalardo	Director	140,000	-20%	-13%	0%	58%
Fan Xiaohua	Director	115,000	-7%	-5%	0%	34%
Board of Statutory Auditors						
Name	Office	<i>Actual Total Cash^[1]</i>			<i>Change</i>	
Riccardo Foglia Tavema	Chairman	116,434	29%	0%	85%	-
Francesca Meneghel	Standing auditor	86,701	16%	0%	85%	-
Teresa Naddeo	Standing auditor	86,701	16%	0%	85%	-
Riccardo Perotta	Standing auditor	56,325	-	-	-	-
Maura Campora	Standing auditor	77,158	-	-	-	-
Antonella Carù ^[3]	Standing Auditor (outgoing)	93,900	-21%	4%	6%	8%
Alberto Villani ^[4]	Standing Auditor (outgoing)	66,373	-12%	0%	18%	27%
Results						
	<i>Actual Result</i>				<i>Change</i>	
Relative TSR ^[5]	-	23.9 p.p	12.4 p.p	8.3 p.p	2.3 p.p	-12.1 p.p
Group Adjusted EBIT (mln euros)	1,060.5	5.9%	2.5%	20%	62.8%	-45.4%
Average remuneration of employees						
	<i>Actual Total Cash^[1]</i>				<i>Change</i>	
Employees of Pirelli & C. S.p.A. active at 31/12 ^[6]	124,634	-5.6%	-13%	40%	38.6%	-11%

^[1] Corresponds to the sum of "Fixed remuneration", "Fees for participation in committees" and "Bonuses and other incentives" of Table 1.

^[2] Chairman Jiao Jian expressed his wish not to receive any remuneration for the positions held in Pirelli & C. S.p.A.. Therefore, the Board of Directors' meeting of 13 September 2023 resolved not to allocate any remuneration under the 2023 Policy for the offices held by him (Director of Pirelli & C. S.p.A., Chairman of the Board of Directors of Pirelli & C. S.p.A., member of the Strategies Committee and Sustainability Committee of Pirelli & C. S.p.A.) during his term of office.

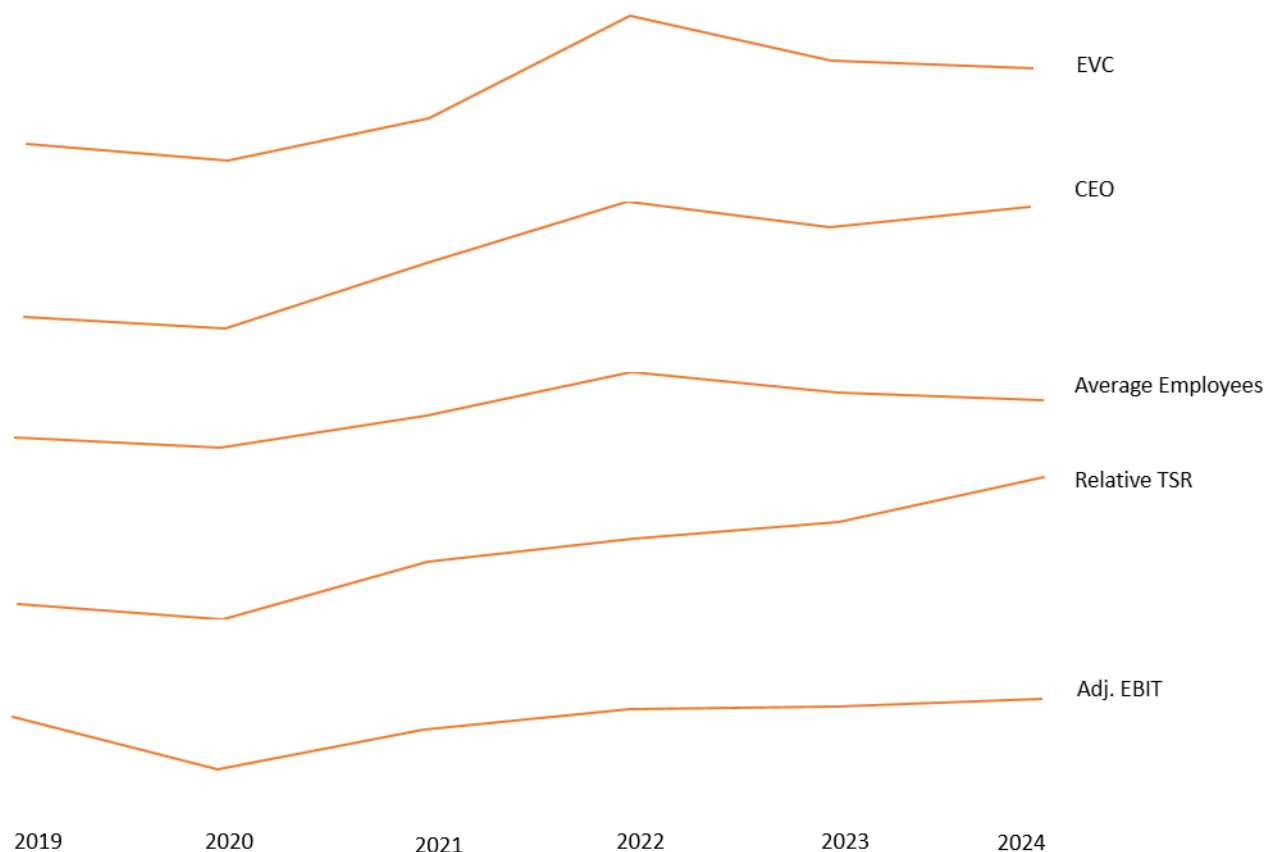
^[3] Ceased to be a member of the Board of Statutory Auditors due to completion of term of office on 28 May 2024 and therefore to be a member of the Supervisory Board of Pirelli & C. S.p.A.. Appointed as Chairman of the Pirelli Tyre S.p.A. Supervisory Board on 6 June 2024. The amount represents remuneration accrued pro rata for the respective offices.

^[4] Ceased to be a member of the Board of Statutory Auditors of Pirelli & C. S.p.A. due to completion of term of office on 28 May 2024. Appointed as Chairman of the Board of Statutory Auditors of Pirelli Tyre S.p.A. on 27 May 2024. The amount represents remuneration accrued pro rata for the respective offices.

^[5] Calculated as [(average share value 2nd half year *n* - average share value 2nd half year *n-1* + dividends paid in year *n*) / average share value 2nd half year *n-1*].
The percentages indicated represent, for each year, the difference in percentage points between Pirelli's TSR and the peers' average: Nokian, Michelin, Continental, Goodyear and Bridgestone. Goodyear's TSR was normalised following the acquisition of Cooper.

^[6] Excluding the Executive Vice Chairman, Chief Executive Officer and Corporate General Manager, represented by name in the table.

The graph below shows the changes to the Executive Vice Chairman and Chief Executive Officer remuneration, to the average remuneration of Pirelli & C. employees and the Group's Relative TSR and Adjusted EBIT performance. Please note that the values are not represented in scale.



2. THE “TABLE”: REMUNERATION PAID TO MEMBERS OF THE ADMINISTRATIVE AND CONTROL BODIES, GENERAL MANAGERS AND KEY MANAGERS.

The following tables set out:

- by name, the remuneration paid to Directors, Statutory Auditors and General Managers;

- in aggregate form, that of KMs¹⁶. As of 31 December 2024, in addition to the Corporate General Manager (Francesco Tanzi), 6 KMs were in office.

Remuneration is reported on an accruals basis and the notes to the tables indicate the office for which the remuneration is received (for example, where a director is a member of more than one Board Committee) and the company - Pirelli & C. or subsidiary and/or investee company - thereof paying it (not for remuneration waived or transferred to the Company, for which information is in any case provided).

The tables include all those individuals who held the aforementioned positions during all or even only part of the 2024 financial year¹⁷. Non-monetary benefits, where received, are also identified on an accruals basis, and reported according to the “taxable income criterion” of the benefit assigned.

¹⁶ Section II of Scheme 7-bis of Annex 3 A of the so-called Issuers' Regulations provides that the Report on compensation paid is structured into two parts:

a) *the remuneration of members of the administrative and control bodies and the General Managers;*

b) *the remuneration of any other Key Managers with strategic responsibilities who have received, in the reporting year, total remuneration (obtained by adding their salary and any remuneration based on financial instruments) that exceeded the highest total remuneration attributed to the persons indicated in point a).*

For Executives with strategic responsibilities other than those indicated in point b) information is provided at aggregate level in special tables, indicating the number of persons to whom it refers in place of names”.

¹⁷ In this case the remuneration is shown *pro rata temporis*.

First and last name	Office	Period office held	Expiry of term of office	Fixed remuneration	Remuneration for membership of committees	Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	End of employment or office indemnity
						Bonus and other incentives	Profit sharing					
Marco Tronchetti Provera	Executive Vice Chairman	01/01/2024 - 31/12/2024	AGM to approve the financial statements for the year to 31 December 2025	2,475,000	135,000	10,813,002	0	527,772		13,950,773		4,000,000
				2,475,000 (1)	135,000 (2)	10,813,002 (3)		527,772 (4)		13,950,773 (5)		
				Of which remuneration in Pirelli & C. S.p.A.								
Jiao Jian	Chairman	01/01/2024 - 31/12/2024	AGM to approve the financial statements for the year to 31 December 2025	0	0	0	0	0		0		0
				0 (6)	0 (6)					0 (6)		
				Of which remuneration in Pirelli & C. S.p.A.								
Andrea Casaluci	CEO	01/01/2024 - 31/12/2024	AGM to approve the financial statements for the year to 31 December 2025	1,175,000	70,000	3,317,294	0	24,993	165,000	4,752,287	0	0
				1,175,000 (7)	70,000 (8)	3,317,294 (9)		24,993 (10)	165,000 (11)	4,752,287 (11)		
				Of which remuneration in Pirelli & C. S.p.A.								
Chen Aihua	Director	01/01/2024 - 31/12/2024	AGM to approve the financial statements for the year to 31 December 2025	75,000	95,000	0	0	0	0	170,000	0	0
				75,000 (12)	95,000 (13)					170,000 (14)		
				Of which remuneration in Pirelli & C. S.p.A.								
Haitao Zhang	Director	01/01/2024 - 31/12/2024	AGM to approve the financial statements for the year to 31 December 2025	75,000	60,000	0	0	0	0	135,000	0	0
				75,000 (12)	60,000 (15)					135,000 (14)		
				Of which remuneration in Pirelli & C. S.p.A.								
Chen Qian	Director	01/01/2024 - 31/12/2024	AGM to approve the financial statements for the year to 31 December 2025	75,000	35,000	0	0	0	0	110,000	0	0
				75,000 (12)	35,000 (16)					110,000 (14)		
				Of which remuneration in Pirelli & C. S.p.A.								
Alberto Bradanini	Director	01/01/2024 - 31/12/2024	AGM to approve the financial statements for the year to 31 December 2025	75,000	70,000	0	0	0	0	145,000	0	0
				75,000 (12)	70,000 (17)					145,000 (17)		
				Of which remuneration in Pirelli & C. S.p.A.								

First and last name	Office	Period office held	Expiry of term of office	Fixed remuneration	Remuneration for membership of committees	Variable non-equity remuneration			Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	End of employment or office indemnity
						Bonus and other incentives	Profit sharing						
Michele Carpinelli	Director	01/01/2024 - 31/12/2024	AGM to approve the financial statements for the year to 31 December 2025	75,000	115,000	0	0		0	0	190,000	0	0
Of which remuneration in Pirelli & C. S.p.A.													
Of which remuneration by subsidiary and affiliated Companies													
Domenico De Sole	Director	01/01/2024 - 31/12/2024	AGM to approve the financial statements for the year to 31 December 2025	75,000	60,000	0	0		0	0	135,000	0	0
Of which remuneration in Pirelli & C. S.p.A.													
Of which remuneration by subsidiary and affiliated Companies													
Paola Boromei	Director	01/01/2024 - 31/12/2024	AGM to approve the financial statements for the year to 31 December 2025	75,000	35,000	0	0		0	0	110,000	0	0
Of which remuneration in Pirelli & C. S.p.A.													
Of which remuneration by subsidiary and affiliated Companies													
Roberto Diacetti	Director	01/01/2024 - 31/12/2024	AGM to approve the financial statements for the year to 31 December 2025	75,000	70,000	0	0		0	0	145,000	0	0
Of which remuneration in Pirelli & C. S.p.A.													
Of which remuneration by subsidiary and affiliated Companies													
Fan Xiaohua	Director	01/01/2024 - 31/12/2024	AGM to approve the financial statements for the year to 31 December 2025	75,000	40,000	0	0		0	0	115,000	0	0
Of which remuneration in Pirelli & C. S.p.A.													
Of which remuneration by subsidiary and affiliated Companies													
Giovanni Lo Storto	Director	01/01/2024 - 31/12/2024	AGM to approve the financial statements for the year to 31 December 2025	75,000	115,000	0	0		0	0	190,000	0	0
Of which remuneration in Pirelli & C. S.p.A.													
Of which remuneration by subsidiary and affiliated Companies													
Marisa Pappalardo	Director	01/01/2024 - 31/12/2024	AGM to approve the financial statements for the year to 31 December 2025	75,000	65,000	0	0		0	0	140,000	0	0
Of which remuneration in Pirelli & C. S.p.A.													
Of which remuneration by subsidiary and affiliated Companies													

Remuneration Report

Pirelli & C. S.p.A. - Annual Report 2024

First and last name	Office	Period office held	Expiry of term of office	Fixed remuneration	Remuneration for membership of committees	Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	End of employment or office indemnity
						Bonus and other incentives	Profit sharing					
Grace Tang	Director	01/01/2024 - 31/12/2024	AGM to approve the financial statements for the year to 31 December 2025	75,000	40,000	0	0	0	0	115,000	0	0
Of which remuneration in Pirelli & C. S.p.A.												
Of which remuneration by subsidiary and affiliated Companies												
Francesco Tanzi	Corporate General Manager	01/01/2024 - 31/12/2024	/	750,000	0	2,055,830	0	24,196	365,000	3,195,026	0	0
Of which remuneration in Pirelli & C. S.p.A.												
Of which remuneration by subsidiary and affiliated Companies												
No. 6 Key Managers	(29)	/	/	2,665,000	50,000	6,745,845	0	98,263	326,154	9,885,262	0	0
Of which remuneration in Pirelli & C. S.p.A.												
Of which remuneration by subsidiary and affiliated Companies												
Riccardo Foglia Taverna	Chairman of the Board of Statutory Auditors	01/01/2024 - 31/12/2024	AGM to approve the financial statements for the year to 31 December 2026	116,434	0	0	0	0	0	116,434	0	0
Of which remuneration in Pirelli & C. S.p.A.												
Of which remuneration by subsidiary and affiliated Companies												
Francesca Meneghel	Standing auditor	01/01/2024 - 31/12/2024	AGM to approve the financial statements for the year to 31 December 2026	86,701	0	0	0	0	0	86,701	0	0
Of which remuneration in Pirelli & C. S.p.A.												
Of which remuneration by subsidiary and affiliated Companies												
Teresa Naddeo	Standing auditor	01/01/2024 - 31/12/2024	AGM to approve the financial statements for the year to 31 December 2026	86,701	0	0	0	0	0	86,701	0	0
Of which remuneration in Pirelli & C. S.p.A.												
Of which remuneration by subsidiary and affiliated Companies												
Antonella Carù	Standing auditor	01/01/2024 - 28/05/2024	AGM to approve the financial statements for the year to 31 December 2023	30,635	63,265	0	0	0	0	93,900	0	0
Of which remuneration in Pirelli & C. S.p.A.												
Of which remuneration by subsidiary and affiliated Companies												
Alberto Villani	Standing auditor	01/01/2024 - 28/05/2024	AGM to approve the financial statements for the year to 31 December 2023	30,635	35,738	0	0	0	0	66,373	0	0
Of which remuneration in Pirelli & C. S.p.A.												
Of which remuneration by subsidiary and affiliated Companies												
				30,635	35,738					30,635		
					(37)					35,738		

First and last name	Office	Period office held	Expiry of term of office	Fixed remuneration	Remuneration for membership of committees	Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	End of employment or office indemnity
						Bonus and other incentives	Profit sharing					
Maura Campora	Standing auditor	28/05/2024 - 31/12/2024	AGM to approve the financial statements for the year to 31 December 2026	56,325	20,833	0	0	0	0	77,158	0	0
Of which remuneration in Pirelli & C. S.p.A.												
Of which remuneration by subsidiary and affiliated Companies												
Riccardo Perotta	Standing auditor	28/05/2024 - 31/12/2024	AGM to approve the financial statements for the year to 31 December 2026	56,325	0	0	0	0	0	56,325	0	0
Of which remuneration in Pirelli & C. S.p.A.												
Of which remuneration by subsidiary and affiliated Companies												

Total remuneration in Pirelli & C. S.p.A.				7,208,756	1,105,000	19,697,137	0	628,078	710,654	29,349,625	0	4,000,000
Total remuneration by subsidiary and affiliated Companies				1,220,000	69,836	3,234,834	0	47,146	145,500	4,717,315	0	0
Total				8,428,756	1,174,836	22,931,970	0	675,224	856,154	34,066,940	0	4,000,000

(1) Of which: 75,000 euros as a Director of Pirelli & C. S.p.A. and 2.4 million euros as Executive Vice Chairman of Pirelli & C. S.p.A. These fees are paid to Marco Tronchetti Provera & C. S.p.A..

(2) Of which: 35,000 euros as Chairman of the Appointments and Successions Committee, 50,000 euros as Chairman of the Strategy Committee and 50,000 euros as Chairman of the Sustainability Committee of Pirelli & C. S.p.A.. These fees are paid to Marco Tronchetti Provera & C. S.p.A..

(3) The amount includes: 75% of the 2024 STI incentive paid out (upfront amount), 25% of the 2023 STI incentive deferred together with the company matching component due to the level of achievement of the results of the 2024 STI and the 2022-2024 LTI incentive (see the table below for details of the amounts). These fees are paid to Marco Tronchetti Provera & C. S.p.A..

(4) Of which: 523,155 euros for insurance policies in line with the provisions of the 2024 Policy, and 4,617 euros for a company car.

(5) Represents a partial disbursement of severance pay accrued for the executive office of Executive Vice Chairman and Chief Executive Officer held at Pirelli & C. S.p.A. in the last three mandates and ceased on 31 July 2023, the disbursement of which was requested in 2024. It is specified, in fact, that the beneficiary of the severance pay is entitled to request even its partial disbursement and for the amounts or the mandates for which disbursement has not been requested, the right to the relevant sums shall accrue in the year in which disbursement is requested.

(6) Chairman Jiao Jian expressed his wish not to receive any remuneration for the positions held in Pirelli & C. S.p.A.. Therefore, the Board of Directors' meeting of 13 September 2023 resolved not to allocate any remuneration under the 2023 Policy for the offices held by him (Director of Pirelli & C. S.p.A., Chairman of the Board of Directors of Pirelli & C. S.p.A., member of the Strategies Committee and Sustainability Committee of Pirelli & C. S.p.A.) during his term of office.

(7) Of which 75,000 euros as a Director of Pirelli & C. S.p.A. and 1.1 million as CEO of Pirelli & C. S.p.A.

(8) Of which: 35,000 euros as member of the Strategies Committee and 35,000 euros as member of the Sustainability Committee of Pirelli & C. S.p.A.

(9) The amount includes: 75% of the STI 2024 incentive paid (upfront portion), 25% of the deferred STI 2023 incentive (accrued pro rata as of the date of his appointment as Chief Executive Officer) together with the related company matching component based on the level of achievement of the STI 2024 results and the LTI 2022-2024 incentive including the portion accrued as General Manager Operations until the date of his appointment as Chief Executive Officer resolved by the Board of Directors of Pirelli & C. S.p.A. on 3 August 2023.

(10) Of which: 10,867 euros for a company car, 3,600 euros for supplementary pension contributions, 3,336 euros for health insurance and 7,190 euros for insurance policies.

(11) The amount refers to the payment, during the term of office, of part of the consideration for the non-competition agreement granted as Chief Executive Officer of Pirelli & C. S.p.A.

(12) As a Director of Pirelli & C. S.p.A.

(13) Of which: 35,000 euros as a member of the Audit, Risks and Corporate Governance Committee, 35,000 euros as a member of the Remuneration Committee and 25,000 euros as a member of the Appointments and Successions Committee of Pirelli & C. S.p.A..

(14) Remuneration transferred to employer company.

(15) Of which 25,000 euros as member of the Appointments and Successions Committee and 35,000 euros as member of the Strategies Committee of Pirelli & C. S.p.A.

(16) As a member of the Strategies Committee of Pirelli & C. S.p.A.

(17) Of which: 35,000 euros as member of the Strategies Committee and 35,000 euros as member of the Remuneration Committee of Pirelli & C. S.p.A.

(18) Of which 35,000 euros as a member of the Audit, Risks and Corporate Governance Committee, 35,000 euros as a member of the Remuneration Committee and 45,000 euros as a member of the Related-Party Transactions Committee of Pirelli & C. S.p.A..

(19) As member of the Remuneration Committee of Pirelli & C. S.p.A.

(20) Of which: 35,000 euros as member of the Audit, Risks and Corporate Governance Committee and 35,000 euros as member of the Strategies Committee of Pirelli & C. S.p.A..

(21) As Chairman of the Audit, Risks and Corporate Governance Committee of Pirelli & C. S.p.A.

- (22) Of which: 35,000 euros as a member of the Audit, Risks and Corporate Governance Committee, 45,000 euros as a member of the Related-Party Transactions Committee and 35,000 euros as a member of the Sustainability Committee of Pirelli & C. S.p.A..
- (23) As Chairman of the Related-Party Transactions Committee of Pirelli & C. S.p.A..
- (24) As Chairman of the Remuneration Committee of Pirelli & C. S.p.A.
- (25) As General Manager Corporate of Pirelli & C. S.p.A..
- (26) The amount includes: the STI 2024 incentive accrued including the deferred portion and the related company matching component that will be paid at the end of the deferral period (3 years) and the LTI 2022-2024 incentive accrued pro-rata from the date of hire (see table below for details of amounts).
- (27) Of which: 10,867 euros for a company car, 7,200 euros for supplementary pension contributions, 3,336 euros for health insurance and 2,793 euros for insurance policies.
- (28) The amount includes: 75,000 euros by way of payment during the employment relationship of part of the consideration for the non-competition agreement and 290,000 euros as the second and final instalment of a welcome bonus linked to hiring.
- (29) As of 31 December 2024, in addition to the Corporate General Manager, 6 ESRs were in office. It should be noted that the remuneration paid to the Corporate General Manager is not included in this item, as it is indicated separately in the table.
- (30) As a member of the 231 Supervisory Body.
- (31) The amount includes, for the respective holders, the accrued 2024 STI incentive including the deferred portion, the related company matching component that will be paid at the end of the deferral period (3 years) and the 2022-2024 LTI incentive (see table below for details on amounts).
- (32) The amounts, for the respective holders, are for a company car, supplementary pension contributions, health insurance and insurance policies.
- (33) The amounts relate, for the respective holders, to the payment of part of the consideration for the non-competition agreement and a seniority bonus paid in accordance with the specific company practice.
- (34) Of which: (i) 36,762 euros for the period 01/01/2024 - 28/05/2024 and (ii) 79,672 euros for the period 28/05/2024 - 31/12/2024.
- (35) Of which: (i) 30,635 euros for the period 01/01/2024 - 28/05/2024 and (ii) 56,066 euros for the period 28/05/2024 - 31/12/2024.
- (36) As Chairman of the Pirelli Tyre S.p.A. Supervisory Board.
- (37) As Chairman of the Board of Statutory Auditors of Pirelli Tyre S.p.A..

3. MONETARY INCENTIVE PLANS FOR MEMBERS OF THE BOARD OF DIRECTORS, GENERAL MANAGERS AND KEY MANAGERS

For a description of Pirelli's monetary incentive plans, please refer to the 2024 Policy.

For a description of Pirelli's monetary incentive plans, please refer to the Remuneration Policy for 2024.

First and last name	Office	Plan	Bonus for the year				Bonus for the previous years					Other bonuses		
			Payable/ Paid out		Deferred		Deferment period	No longer payable	Payable /Paid out					Still deferred
Marco Tronchetti Provera	Executive Vice Chairman	STI 2023	-		-		-	-	2,881,440	(1)	-		-	
		STI 2024	3,957,220	(2)	1,319,073	(3)	1 year	-	-		-		-	
		2022-2024 LTI Plan	3,974,341	(4)	-		-	-	-		-		-	
		2023-2025 LTI Plan	-		-		-	-	-		-		-	
		2024-2026 LTI Plan	-		-		-	-	-		-		-	
Andrea Casaluci	CEO	STI 2021	-		-		-	-	1,406,250	(5)				
		STI 2022	-		-		-	-	-		653,373	(6)		
		STI 2023	-		-		-	-	-		693,337	(7)		
		STI 2024	-		-		-	-	440,206	(8)	-			
		2022-2024 LTI Plan	1,596,079	(2)	532,026	(3)	1 year	-	-		-			
		2023-2025 LTI Plan	1,281,009	(9)	-		-	-	-		-			
		2024-2026 LTI Plan	-		-		-	-	-		-			
		2024-2026 LTI Plan	-		-		-	-	-		-			
Francesco Tanzi	Corporate General Manager	STI 2023	-		-		-	-	-		360,175	(10)		
		STI 2024	494,653	(11)	1,088,236	(12)	3 years	-	-		-			
		2022-2024 LTI Plan	472,942	(13)	-		-	-	-		-			
		2023-2025 LTI Plan	-		-		-	-	-		-			
		2024-2026 LTI Plan	-		-		-	-	-		-			
No. 6 Key Managers	(15)	STI 2021	-		-		-	-	2,123,763	(16)	-			
		STI 2022	-		-		-	-	-		1,825,680	(17)		
		STI 2023	-		-		-	-	-		1,900,981	(18)		
		STI 2024	1,653,063	(11)	2,420,605	(12)	3 years	-	-		-			
		2022-2024 LTI Plan	2,672,177	(4)	-		-	-	-		-			
		2023-2025 LTI Plan	-		-		-	-	-		-			
		2024-2026 LTI Plan	-		-		-	-	-		-			
												290,000	(14)	
												-		

First and last name	Office	Plan	Bonus for the year				Bonus for the previous years				Other bonuses
			Payable/ Paid out		Deferred		Deferment period	No longer payable	Payable /Paid out		
(I) Remuneration in the Company that has prepared the financial statements		STI 2021						2,456,310			290,000
		STI 2022							1,326,132		
		STI 2023						3,321,646	2,141,593		
		STI 2024	7,004,543		4,087,562						
		2022-2024 LTI Plan	7,134,485								
		2023-2025 LTI Plan									
		2024-2026 LTI Plan									
(II) Remuneration from Subsidiary and Affiliated Companies		STI 2021						1,073,703			
		STI 2022							1,152,921		
		STI 2023							812,902		
		STI 2024	696,471		1,272,378						
		2022-2024 LTI Plan	1,265,985								
		2023-2025 LTI Plan									
		2024-2026 LTI Plan									
(III) Total			16,101,484		5,359,940		-	-	6,851,659	5,433,548	290,000

(1) The amount refers to the sum of the deferred portion of the 2023 STI (25%) and the respective company matching component paid out for achievement of the 2024 STI objectives as defined in the 2023 Policy. This amount is shown in the "Bonuses and other incentives" column of Table 1.

(2) The amount in the "Payable/Paid out Year Bonus" column refers to the 75% of the 2024 STI paid out (upfront amount). This amount is shown in the "Bonuses and other incentives" column of Table 1.

(3) The amount in the "Deferred Year Bonus" column refers to 25% of the 2024 STI deferred and assigned to risk/opportunity subject to the results of the 2025 STI. This amount is not shown in the "Bonuses and other incentives" column of Table 1.

(4) The amount in the "Payable/Paid out Year Bonus" column refers to the 2022-2024 LTI Plan. This amount is shown in the "Bonuses and other incentives" column of Table 1.

(5) The amount in the "Previous Years Bonuses Payable/Paid" column refers to the sum of the deferred 2021 STI portion accrued as General Manager Operations, and the company matching component paid at the end of the deferral period (3 years). This amount is not shown in the "Bonuses and other incentives" column of Table 1.

(6) The amount in the "Previous Years Bonuses Still Deferred" column refers to the sum of the deferred 2022 STI portion, accrued as General Manager Operations, and the company matching component, which will be paid at the end of the deferral period (3 years). This amount is not shown in the "Bonuses and other incentives" column of Table 1.

(7) The amount in the "Previous Years Bonuses Still Deferred" column refers to the sum of the deferred 2023 STI portion, accrued as General Manager Operations until the date of appointment as CEO, and the company matching component, which will be paid at the end of the deferral period (3 years). This amount is not shown in the "Bonuses and other incentives" column of Table 1.

(8) The amount refers to the sum of the deferred portion of the 2023 STI (25%), accrued pro-rata as of the date of appointment as CEO, and the respective company matching component paid out for achievement of the 2024 STI objectives as defined in the 2023 Policy. This amount is shown in the "Bonuses and other incentives" column of Table 1.

(9) The amount in the "Payable/Paid out Year Bonus" column refers to the 2022-2024 LTI Plan including the amount accrued as General Manager Operations until the date of appointment as CEO. This amount is shown in the "Bonuses and other incentives" column of Table 1.

(10) The amount in the "Previous Years Bonuses Still Deferred" column refers to the sum of the deferred 2023 STI portion and the company matching component, which will be paid at the end of the deferral period (3 years). This amount is not shown in the "Bonuses and other incentives" column of Table 1.

(11) The amount in the "Payable/Paid out Year Bonus" column refers to the portion of the 2024 STI paid out (upfront amount) based on personal choice. This amount is shown in the "Bonuses and other incentives" column of Table 1.

(12) The amount in the "Deferred Year Bonus" column refers to the sum of the 2024 STI portion and the related company matching component that will be paid at the end of the deferral period (3 years). This amount is shown in the "Bonuses and other incentives" column of Table 1.

(13) The amount in the "Payable/Paid out Year Bonus" column refers to the 2022-2024 LTI Plan accrued pro-rata from the hire date. This amount is shown in the "Bonuses and other incentives" column of Table 1.

(14) The amount refers to the second and last instalment of a welcome bonus linked to hiring. This amount is shown in the "Other remuneration" column in Table 1.

(15) As of 31 December 2024, in addition to the Corporate General Manager, 6 ESRs were in office. It should be noted that the remuneration paid to the Corporate General Manager is not included in this item, as it is indicated separately in the table.

(16) The amount in the "Previous Years Bonuses Payable/Paid" column refers to the sum of the deferred 2021 STI portion and the company matching component, which will be paid at the end of the deferral period (3 years). This amount is not shown in the "Bonuses and other incentives" column of Table 1.

(17) The amount in the "Previous Years Bonuses Still Deferred" column refers to the sum of the deferred 2022 STI portion and the company matching component, which will be paid at the end of the deferral period (3 years). This amount is not shown in the "Bonuses and other incentives" column of Table 1.

(18) The amount in the "Previous Years Bonuses Still Deferred" column refers to the sum of the deferred 2023 STI portion and the company matching component, which will be paid at the end of the deferral period (3 years). This amount is not shown in the "Bonuses and other incentives" column of Table 1.

4. TABLE OF EQUITY INVESTMENTS OF THE MEMBERS OF THE ADMINISTRATIVE AND CONTROL BODIES, GENERAL MANAGERS AND KEY MANAGERS.

The table below provides disclosures on any equity investments held in Pirelli & C. and in its subsidiary companies, by those who, even for a fraction of the year, have held the position of:

- member of the Board of Directors;
- member of the Board of Statutory Auditors;
- General Manager;
- KMs.

In particular, it indicates, for each member of the Board of Directors and Board of Statutory Auditors and General Managers, by name, and cumulatively for KMs, with regard to each company in which shares are held, the number of shares, by category:

- held at the end of the prior year;
- purchased during the reporting year;
- sold during the reporting year;
- held at the end of the reporting year.

In this regard, the title of possession and the manner in which it is held are also specified.

It includes all the persons who, during the reporting year, held positions as members of the administrative and control bodies, General Manager or as KM, even for a fraction of the year.

1) Equity investments of the members of the administrative and control bodies and General Managers

First and last name	Office	Investee company	No of shares held at 31/12/2023	No of shares purchased/underwritten	No. of shares sold	No of shares held at 31/12/2024
Marco Tronchetti Provera	Executive Vice Chairman	Pirelli & C. S.p.A.	140,959,399 (i)	119,563,672 (ii)	-	260,523,071 (iii)

(i) Shares held indirectly through Camfin S.p.A..

(ii) Total shares acquired during the reporting year through the following indirect subsidiaries: Longmarch Holding S.r.l. for no. 36,788,672, Camfin Alternative Assets S.r.l. for no. 78,775,000 and Camfin S.p.A. for no. 4,000,000.

(iii) Shares held indirectly through Camfin S.p.A. for 144,959,399 shares, Camfin Alternative Assets S.r.l. for 78,775,000 shares and Longmarch Holding S.r.l. for 36,788,672 shares. A guarantee is pledged on these shares, with voting rights remaining with the shareholders.

2) Equity investments of other key managers

Number of key managers		Investee company	No of shares held at 31/12/2023	No of shares purchased/underwritten	No. of shares sold	No of shares held at 31/12/2024
-		-	-	-	-	-

ANNEX 1– GLOSSARY

2024-2025 Business Plan: refers to the update of the 2021-2022|2025 Strategic Plan (approved by the Board of Directors of Pirelli & C. on 31 March 2021) approved by the Board of Directors of Pirelli & C. on 6 March 2024.

2022-2024 LTI Plan: refers to the LTI plan relating to the 2022-2024 three-year cycle, approved by the Board of Directors on 17 March 2022 and, subsequently, by the Shareholders' Meeting held on 18 May 2022.

2023-2025 LTI Plan: refers to the LTI plan relating to the 2023-2025 three-year cycle, approved by the Board of Directors on 05 April 2023 and, subsequently, by the Shareholders' Meeting held on 31 July 2023.

2024-2026 LTI Plan: refers to the LTI plan relating to the 2024-2026 three-year cycle, approved by the Board of Directors on 06 March 2024 and, subsequently, by the Shareholders' Meeting held on 28 May 2024.

2025-2027 LTI Plan: refers to the LTI plan relating to the 2025-2027 three-year cycle, approved by the Board of Directors on 28 April 2025.

2021 Policy: refers to the Remuneration Policy for the year 2021 approved by the Board of Directors on 31 March 2021 and, subsequently, by the Shareholders' Meeting held on 15 June 2021.

2022 Policy: refers to the Remuneration Policy for the year 2022 approved by the Board of Directors on 17 March 2022 and, subsequently, by the Shareholders' Meeting held on 18 May 2022.

2023 Policy: refers to the Remuneration Policy for the year 2023 approved by the Board of Directors on 5 April 2023 and, subsequently, by the Shareholders' Meeting held on 31 July 2023.

2024 Policy: refers to the Remuneration Policy for the year 2024 approved by the Board of Directors on 6 March 2024 and, subsequently, by the Shareholders' Meeting held on 28 May 2024.

Annual Total Direct Compensation: means the sum total of the following components, regardless of whether they were paid by Pirelli & C. or by another Group company:

- gross annual base salary of the remuneration;
- annual variable component STI actual;
- medium-long term variable component comprising:
 - actual annual value of the LTI plan;
 - value of the deferred STI pro-rata, if accrued based on the fulfilment of the underlying conditions;

- an additional value of an equal or higher amount in respect of the pro-rata of the STI accrued and deferred, to be paid if the underlying conditions are met.

Annual Total Direct Compensation on-Target: means the sum total of the following components, regardless of whether they were paid by Pirelli & C. or by another Group company:

- gross annual base salary of the remuneration;
- annual variable short-term incentive (STI), if target objectives are achieved;
- medium-long term variable component consisting of:
 - annual value of the LTI plan if multi-year target objectives are achieved;
 - pro quota value of the STI accrued and deferred, to be paid if the underlying conditions are met;
 - an additional value of an equal or higher amount in respect of the pro-rata of the STI accrued and deferred, to be paid if the underlying conditions are met.

Bad Leaver: when the relationship with the Company is terminated due to a case other than those listed in the definition of Good Leaver.

Board of Directors: the Board of Directors of Pirelli & C..

Consolidated Sustainability Report: refers to the reporting of information related to sustainability issues, as regulated by Legislative Decree No. 125 of 6 September 2024, included in the Directors' Report on Operations, which is part of the 2024 Annual Financial Report published on the Company's website.

Corporate Governance Code: refers to the Corporate Governance Code of listed companies approved by the Corporate Governance Committee of Borsa Italiana S.p.A. in January 2020.

Director(s): refers to members of the Board of Directors of Pirelli & C..

Directors holding specific offices: these are the Directors of Pirelli & C. holding the office of Chairman, Executive Vice Chairman and Chief Executive Officer. The Directors holding specific offices in other Group companies, who are also managers, are, for the purpose of the Policy, Executives or Senior Managers, depending on the role held and, unless otherwise resolved by the Board of Directors of Pirelli & C. which classifies them as KMs.

Directors holding specific offices to whom specific duties are also delegated: the Directors of Pirelli & C. who hold the office of Executive Vice Chairman and Chief Executive Officer.

Directors with no specific offices: are the Directors of Pirelli & C. other than those holding specific offices. Directors not holding special offices in other Group companies, who are also managers, are,

for the purpose of the Policy, Executives or Senior Managers, depending on the role held and unless otherwise resolved by the Board of Directors of Pirelli & C., which classifies them as KMs.

Executives: managers of the Italian companies or employees of the Group's foreign companies with a position or role that is comparable to that of an Italian manager.

GAR: refers to the gross annual base remuneration of the compensation for those employed by a Pirelli Group company.

General Manager(s): the persons chosen by the Pirelli & C. Board of Directors to be assigned extensive powers of business segment management. The subjects holding the office of General Manager in other Group companies are, for the purpose of the Policy, Executives or Senior Managers, depending on the role held and unless otherwise resolved by the Board of Directors of Pirelli & C., which classifies them as KMs.

Grade: weight assigned to each organisational position based on factors such as the level of knowledge and skills required, the complexity of the problems the role must address, the degree of responsibility and the impact of decisions made. The grade system is used to determine appropriate salary ranges at each level, ensuring internal equity within the organisation. It also allows for an objective comparison of different roles within the company or across different companies.

Good Leaver: when the relationship with the Company is terminated by mutual termination, retirement, death or resignation for good cause.

KMs: indicates the persons identified pursuant to Article 11, paragraph 12 of the Bylaws, i.e. Pirelli's managers who, by reason of the tasks and powers attributed to them, have the power and responsibility, directly or indirectly, of planning, directing and controlling the Company's activities and of adopting decisions that may affect its development and future prospects (key manager).

Management: means all Directors holding specific offices, General Manager, KMs, Senior Managers and Executives.

Pirelli Group or Pirelli or Group: all the companies included in the consolidation scope of Pirelli & C..

Pirelli & C. or the Company: refers to Pirelli & C. S.p.A.

Remuneration Committee or Committee: the Remuneration Committee of Pirelli & C..

Senior Managers or Senior Management: refers to the persons to whom the following shall first report, except where they are KMs (i) Directors holding specific offices to whom specific duties are also delegated; (ii) General Manager, where the work of the Senior Manager significantly impacts business results.

Shareholders' Meeting: means the meeting of the shareholders of Pirelli & C..

Statutory Auditors: refers to the members of the Board of Statutory Auditors of Pirelli & C.

STI: refers to the annual variable component of remuneration that can be achieved if the predefined corporate objectives are achieved, as more fully described in paragraphs 2, 4, 5 and 6.

Top Management: refers to all Directors holding specific offices, General Manager and KMs.