

## **ARTICLES OF ASSOCIATION** **"Fondazione Pirelli"**

### **Article 1**

#### **Formation – Registered Office – Representation Offices**

A foundation under the name "Fondazione Pirelli" is hereby formed, with registered offices in Viale Alberto e Piero Pirelli no. 25, Milan (Italy).

Representative and other offices may also be opened, both in Italy and abroad, upon approval of the Board of Directors, in order to undertake – as action incidental and instrumental to the aims of the Foundation – promotion and also the development and extension of the network of national and international relations needed to support the Foundation.

The Foundation is a not-for-profit organisation and may not distribute earnings.

### **Article 2**

#### **Purposes**

The Foundation shall seek to create, promote and disseminate expressions of art and culture.

In particular, the Foundation intends to promote and disseminate knowledge of the historical and cultural heritage of the Pirelli Group as well as its contemporary facets, both by giving proper prominence to the materials in which it finds expression and through projects and other initiatives aimed at promoting the Pirelli enterprise culture as part of Italy's broader culture.

The Foundation shall also seek to identify and support the cultural projects and initiatives of third parties which are akin to and consistent with Pirelli's corporate culture.

### **Article 3**

#### **Institutional, instrumental, incidental and related activities**

In pursuing its purposes and in line with its objectives, the Foundation shall reorganise and manage the Historical Archive of the Pirelli Group and present the materials it holds to best effect so that they may be made accessible to the general public and to researchers, to the extent compatible with maintaining them intact.

In order to achieve these objectives, the Foundation may, by way of example:

1. Sign all appropriate Deeds and Contracts extending to the financing of authorised transactions, including – although not to the exclusion of others – taking on short-term or long-term debt, purchasing or leasing properties or land, and signing agreements of any kind, including such as are recorded in public registers, with private parties and public bodies and are deemed appropriate and useful in achieving the objectives of the Foundation;
2. Administer and manage the assets it owns, leases, has on loan for use, or otherwise has the right to possess or hold;
3. Participate in associations, foundations, and other public and private organisations and institutions whose activities are directly or indirectly related to pursuing objectives analogous to those of the Foundation, which may, as deemed appropriate, also help to establish such entities;
4. Establish or invest in companies that perform activities aimed exclusively at pursuing the objectives stated herein;
5. Promote and organise – together with the publication of the related proceedings and documentation – seminars, training programmes, exhibitions, conferences, meetings and all other events and initiatives suited to promoting systematic

- interaction between the Foundation and other national and international operators and bodies, their staff, and the general public;
6. Manage, either directly or indirectly, premises and areas used in achieving the purposes defined under Article 2;
  7. Sign agreements for the outsourcing of activities to others;
  8. Establish scholarships and other educational awards;
  9. Undertake marketing that extends to published material, within the limits of the law, and other audio-visual material generally, this by way of action incidental and instrumental to the objectives of the Foundation;
  10. Conduct all other activities that are helpful in pursuing the aims of the Foundation.

#### **Article 4 Supervision**

The competent authorities shall supervise the Foundation's activities in accordance with the Italian Civil Code and other specific applicable legislation.

#### **Article 5 Assets**

The capital of the Foundation shall comprise:

- The endowment fund made up of monetary contributions, movable and immovable property and other resources as are provided by the founders or other parties and are usable in pursuing the objectives of the Foundation;
- Movable property and rights or anything else having quantifiable economic worth such as come into the possession of the Foundation in any way, including those that are acquired by the Foundation in accordance with these Articles of Association;
- Donations made by bodies or private individuals intended expressly to increase the Foundation's capital;
- That portion of unexpended income that the Board of Directors authorises to go to increase the Foundation's capital;
- Grants received from the European Union, central government, local government, or other public bodies.

#### **Article 6 Operating Fund**

The Operating Fund of the Foundation is made up of:

- The income and other proceeds from the capital and activities of the Foundation;
- Any donations or testamentary dispositions that are not expressly intended for the endowment fund;
- Any grants received from the European Union, central government, local government, or other public bodies;
- Revenues from the Foundation's institutional, incidental, instrumental, and related activities.

The Operating Fund of the Foundation is to be used for Foundation operations and for the pursuit of its objectives.

#### **Article 7 Financial Year**

The financial year begins on 1 January and ends on 31 December of each year. The Board of Directors shall approve the final accounts for the past year no later than 30 June following the end of the financial year to which those accounts refer. The Board of Directors shall further approve a budget for the financial year by the same deadline. The distribution of earnings, other operating surpluses, funds and reserves during the life of the Foundation is prohibited unless their appropriation or distribution is required by law.

### **Article 8 Founders**

The Founders are the companies "Pirelli & C. SpA", "Pirelli Tyre SpA", as well as Cecilia Maria Giulia Pirelli and Alberto Maria Tomaso Pirelli.

In the event of resolutions to merge, spin off, transform, or in general to annul it, only "Pirelli & C. SpA" among the corporate bodies that are the founders may specify the party that shall have the right to exercise the prerogatives assigned it under these Articles of Association.

Each Founder who is a natural person may, including by way of a last will and testament, appoint a person to replace them in the execution of their prerogatives and rights under these Articles of Association; and so on in perpetuity.

### **Article 9 Governing Bodies**

The Foundation's governing bodies include:

- The Board of Directors;
- The Chair and Honorary Chair of the Foundation;
- The Director of the Foundation;
- The Advisory Board, where established;
- The Board of Auditors.
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### **Article 10 Board of Directors**

The Board of Directors shall be made up of a minimum of three and a maximum of five members.

Its composition shall be as follows:

- a) One member appointed by each of the Founders that are legal persons;
- b) One member appointed jointly by the Founders who are natural persons;
- c) Up to two members appointed jointly by majority vote of the members appointed as per points (a) and (b) above.

The members of the Board of Directors shall remain in office until approval of the final accounts for the third financial year following their appointment and may be re-elected unless their appointment is annulled prior to the end of their term in office by the party that appointed them.

Any member of the Board of Directors who, without just cause, fails to attend three consecutive meetings of the Board may be removed from the Board. In such case, as in all other cases where there is no active holder of a Board appointment, the Board member(s) shall be replaced in accordance with the appointment procedures in paragraph two. New members of the Board shall hold their appointment until the Board of Directors completes its term of office. Should the number of members fall to less than three, the Board is deemed to have fallen from office and must be reconstituted in accordance with the procedures established herein.

The Board of Directors shall be vested with all powers needed to administer the Foundation, to approve the Foundation objectives and programmes proposed by the Chair with the assistance of the Director of the Foundation, and to verify the overall results of the Foundation's operations.

In particular, the Board shall be responsible for:

- Establishing the annual guidelines for the Foundation's activities within the scope of the objectives and the activities stated in Articles 2 and 3 hereof;
- Approving the budget and final accounts;
- Approving, where applicable, the Foundation's rules;
- Establishing, as appropriate, the categories of Foundation Participants, or members, and establishing, through the relevant regulations, the related qualifications, prerogatives, requirements, means of admission, and all other necessary aspects; - assigning specific responsibilities to Board members;
- Delegating specific tasks to the Directors;
- Appointing, not necessarily from within the Board, the Director of the Foundation in accordance with Art. 12 and establishing his/her responsibilities and powers;
- Setting up, as appropriate, the Advisory Board and appointing its members as recommended by the Director of the Foundation;
- Appointing the members of the Board of Auditors;
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- Appointing, where applicable, the Honorary Chair of the Foundation;
- Passing resolutions regarding the acceptance of inheritances, bequests, and related contributions;
- Passing resolutions on any changes to these Articles of Association with the approval of the Chair;
- Passing resolutions regarding proposals to dissolve the Foundation and regarding the assignment of its assets with the approval of the Chair;
- Carrying out all other tasks assigned to it under these Articles of Association.

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Meetings of the Board of Directors shall be called by the Chair or at the request of at least one-third of its members in office, without formal requirements though with appropriate means of communication sent at least five days prior to the date set for the meeting. In cases of need or urgency, the notification may be issued 12 hours prior to the meeting date. In the event of inaction by the Chair for more than 30 days from the date of the request for the meeting of the Board, the Board may be summoned by the Chair of the Board of Auditors.

Meetings of the Board of Directors are valid when the majority of the members in office are present.

Resolutions shall be adopted with the majority vote of those present. Where there is a tied vote, the Chair shall have the casting vote.

Resolutions regarding the approval of changes to these Articles of Association and proposals to dissolve the Foundation shall be validly adopted with the presence and the supporting vote of the majority of the members in office.

Meetings of the Board shall be chaired by the Chair or, where he or she is absent or suffers an impediment, by a Board member chosen by the Chair.

Meetings of the Board of Directors shall be recorded and the minutes shall be signed by the Chair of the meeting and the Secretary.

It is allowable for meetings of the Board of Directors to be held using means of telecommunication on condition that all the participants may be identified and they can follow the discussion of the business and intervene in it in real time. Where these

requirements are met, the meeting of the Board of Directors is to be deemed as held in the location where the Chair is and where the secretary must also be present.

## **Article 11**

### **Chair and Honorary Chair of the Foundation**

The Chair of the Foundation is the Board member appointed by the Founder "Pirelli & C. SpA" to the Foundation's Board of Directors.

The Chair shall legally represent the Foundation vis-à-vis third parties, shall act and defend it before any administrative or judicial authority, and shall appoint and dismiss lawyers.

The Chair shall also handle relations with bodies, institutions, public and private enterprises and other organisations, including where the purpose is to enter into relations for cooperating on and supporting the Foundation's various initiatives.

The Chair shall have the right to grant power of attorney for individual acts or categories of acts.

Where the Chair is absent or suffers an impediment he shall, for all purposes of law and of these Articles of Association, be replaced in carrying out the tasks and in managing the affairs of the Foundation by a Board Member that the Chair has permanently chosen.

Where the Board of Directors sees fit, it may appoint an Honorary Chair of the Foundation, who shall receive a standing invitation to attend Board meetings which s/he shall attend in an advisory capacity without voting rights. The tenure in office of the Honorary Chair shall expire together with that of the Board that appointed him or her.

## **Article 12**

### **Director of the Foundation**

The Director of the Foundation is appointed by the Board of Directors, on the recommendation of the Chair, and may also be selected from among individuals who are not Board members and have experience in the sectors of economic history, art, and cultural activities as well as acknowledged management ability. At the time of his/her appointment, the Board of Directors shall decide on his/her tasks and the nature of the relationship.

The Director of the Foundation shall remain in office for the period established by the Board of Directors, and in the absence thereof, shall expire together with the Board by which he was nominated.

The Director of the Foundation shall be responsible for managing the Foundation in an efficient, efficacious, and cost-efficient manner within the scope of his or her responsibilities and powers as granted by the Board of Directors, as well as in accordance with the projects, plans and budget approved by the Board. In particular, the Director of the Foundation shall:

- Assist the Chair in preparing plans and setting objectives, which are to be presented to the Board of Directors for approval on an annual basis;
- Establish any departments or areas of operations for the Foundation and appointing individuals to manage them, as well as determining the responsibilities of these individuals and establishing the nature and duration of the relationship; the Director of the Foundation is the entity with the responsibility for the organisation itself or the production unit insofar as it exercises its decision-making powers and as such, the Employer in accordance with the law;
- Implement all necessary, appropriate and required measures relating to occupational safety, prevention and occupational hygiene, including on temporary and mobile construction sites, in relation to laws, regulations, Codes of Conduct issued by

the competent public authority or suggested by specific technical experience, and in general, by any other prudence or diligence rule that must be applied in order to eliminate any risk and to prevent the consequences of harm to persons or things, also with specific reference to Legislative Decree 81/2008, while ensuring compliance with any new regulations or regulatory provisions that may come into force with regard to the activities relating to the assignment made above;

- Approve the Foundation’s organisational structure based on the progress of the activities of the Foundation;
- Prepare the draft budget and final accounts; with regard to all the activities carried out by the Foundation at the various premises owned or used by the Foundation –implement all necessary, appropriate and required measures relating to ecological protection of the internal and external environment and to control of urban planning and building activity, in relation to laws, regulations, Codes of Conduct issued by the competent public authority or suggested by specific technical experience, and in general, by any other prudence or diligence rule that must be applied in order to eliminate any risk and to prevent the consequences of harm to persons or things, also with specific reference to Legislative Decree 152/2006 and to Presidential Decree 380/2001 (and any subsequent amendments and additions), and with reference to any other rule of law currently in force, while ensuring compliance with any new regulations or regulatory provisions that may come into force with regard to the activities relating to the assignment made above;
- Ensure the supervision and maintenance of the moveable assets listed in public records, and that of the property owned or used by the Foundation to ensure the safety of the persons within and without the above;
- Order the suspension, only temporary where appropriate, of the activities under his/her control where s/he deems it necessary to do so to prevent risks that cannot otherwise be tackled, and have the power to delegate to his/her employees, by explicit written instrument, the responsibility for activities pertaining to the powers conferred herein. The powers for the exercise thereof are granted to the same with full managerial and economic autonomy without spending limits;
- Propose to the Board of Directors the appointment of members of the Advisory Board, where established;
- Carry out all other responsibilities assigned when appointed.

The Director of the Foundation shall also be the legal representative of the Foundation within the limits and for the purposes of Legislative Decree No. 196 of 30 June 2003 and subsequent amendments and additions (known as the “Privacy Code”), and the same shall be vested with the powers necessary to fully accomplish the obligations under the aforementioned Law.

The Director may be invited to participate, without voting rights, in the meetings of the Board of Directors, to which he or she reports, as well as in meetings of the Advisory Board.

### **Article 13** **Advisory Board**

The Advisory Board, if established, shall be the consultative body of the Foundation, and shall be made up of a variable number of members, up to a maximum of fifteen, who are selected and appointed by the Board of Directors based on recommendations by the Director of the Foundation. They may be Italian or foreign natural persons and corporate bodies, agencies, and institutions that have notable credentials, recognised prestige, and exemplary professionalism in matters of interest to the Foundation.

The Advisory Board shall provide opinions and recommendations regarding the annual programme of initiatives and all other matters regarding which the Board of Directors expressly requests an opinion, as well as defining specific aspects of individual initiatives and activities that are of particular importance.

The Advisory Board may be organised into planning committees as specified by the Board of Directors, which also establishes the number of members of such committees, their duration and functions.

Meetings of the Advisory Board shall be convened and chaired by the Chair of the Foundation or, where s/he is absent or suffers impediment, by another member of the Board as appointed by the Chair.

The Director of the Foundation shall also participate in the meetings of the Advisory Board.

#### **Article 14**

##### **Board of Auditors**

The Board of Auditors shall be made up of three members, who are appointed by the Board of Directors, with one member acting as Chair. Members shall be registered with the Italian Board of Certified Auditors.

The Board of Auditors shall verify the proper keeping of the accounts, examine draft final accounts, prepare related reports, and audit the cash accounts.

The members of the Board of Auditors may take part in meetings of the Board of Directors without voting rights.

The members of the Board of Auditors shall remain in office until approval of the final accounts for the third year following their appointment and may be re-elected.

#### **Article 15**

##### **Dissolution**

In the event of a proposal to dissolve the Foundation for any reason, the Foundation's resources – through a resolution of the Board of Directors, who shall appoint the Liquidator – shall be distributed to other organisations that work towards goals similar to those of the Foundation or be distributed for the public good.

Assets that have been made available for use by the Foundation shall be returned to the Parties who provided them when it is dissolved.

#### **Article 16**

##### **Applicable legislation**

For all matters not expressly governed herein, the provisions of the Italian Civil Code and other applicable laws shall apply.

#### **Article 17**

##### **Transitory clause**

The Foundation's governing bodies may validly begin operations immediately with a number, duration and composition determined at the time of constitution, even in conflict with these Articles of Association when first applied, before being subsequently brought to full measure.