



**ILLUSTRATIVE REPORT OF THE BOARD OF DIRECTORS OF BREMBO S.P.A. CONCERNING THE FIRST ITEM ON THE AGENDA OF THE EXTRAORDINARY SHAREHOLDERS' MEETING OF BREMBO S.P.A., CALLED ON 17<sup>TH</sup> DECEMBER 2021 IN SINGLE CALL**

*(prepared in accordance with Article 72 of Consob Regulation adopted through Resolution No. 11971 of 14 May 1999 as subsequently amended ("Rules for Issuers") and the Attachment 3A, Table 3, thereof)*

**1. Introduction of Article 17-bis of the By-laws concerning the position of Chairman Emeritus. Relevant and ensuing resolutions.**

Shareholders,

With reference to the [first and only] item on the Agenda of the Extraordinary Shareholders' Meeting, this report — prepared in accordance with Article 72 of Consob Regulation adopted through Resolution No. 11971 of 14 May 1999 as subsequently amended ("**Rules for Issuers**") and Attachment 3A, Table 3, thereof — illustrates and invites you to approve the proposal submitted by the Board of Directors of Brembo S.p.A. (hereinafter "**Brembo**" or the "**Company**") aimed at introducing the possibility for the Ordinary Shareholders' Meeting to appoint a Chairman Emeritus to be chosen from among persons who have contributed notably and for a significant period of time to the Company's growth and development in terms of performance, results, prestige and reputation in Italy and worldwide.

**Foreword**

The Chairman Emeritus (or Honorary Chairman) is a position that numerous listed companies (including Erg S.p.A., Banca Ifis S.p.A., Cir S.p.A.; Astaldi S.p.A. and others) have already introduced to be able to continue to benefit from the support and contribution of individuals who have previously played strategic roles within their organisations.

With regard to Brembo, this proposal is closely linked to the decision, notified by Alberto Bombassei on November 16<sup>th</sup> 2021, to resign from the role of Brembo's Executive Chairman and member of the Board of Directors, effective as of the date of the Shareholders' Meeting tasked with, *inter alia*, making decisions regarding the integration of the Board of Directors. The addition of the clause of the By-laws in question would enable the Shareholders' Meeting — called on to vote on the item in ordinary session — to assign Alberto Bombassei the position of Chairman Emeritus of Brembo, enabling the Company to take full advantage of the wealth of knowledge, experience, values and skills that his founder has gained over time.

**1. SCOPE OF THE AMENDMENT**

---

In detail, the Board of Directors proposes that a new Article 17-*bis* be added to the By-laws (the "**New Clause**") to grant the Ordinary Shareholders' Meeting the power to appoint a chairman emeritus ("**Chairman Emeritus**"), who need not be a member of the Board of Directors.

The Chairman Emeritus would be given advisory and propositional functions in respect of the Board of Directors, determined by the Board itself and relating to the most relevant, crucial aspects to Brembo and the Group, such as the definition of strategies and the determination of actions aimed at the growth of the Company and the Group, the execution of extraordinary transactions, the development of new products and/or the identification of new markets.



The New Clause also provides that the Board of Directors may task the Chairman Emeritus with representing the Company at events relating to cultural, scientific and charitable activities and at institutional meetings with public and private entities.

Pursuant to the New Clause, any remuneration due to the Chairman Emeritus would be determined by the Board of Directors, along with expense refund.

As already indicated, the Chairman Emeritus is to be selected by the Ordinary Shareholders' Meeting from among individuals who have contributed notably and for a significant period of time to Brembo's prestige and development and may be either a member of the Board of Directors or a person external to the said Board. Upon appointment, the Ordinary Shareholders' Meeting sets the term of office of the Chairman Emeritus, which may also be indefinite, without prejudice to the fact that the Chairman Emeritus may be re-elected.

Where the Chairman Emeritus is not a member of the Board of Directors, it is provided that he is authorised to participate in meetings of the Board of Directors and sessions of the Ordinary and/or Extraordinary Shareholders' Meeting. At meetings of the Board of Directors, the Chairman Emeritus is entitled to express non-binding opinions and considerations, without voting rights.

The New Clause also provides that the Board of Directors may appoint a Strategic Steering Committee tasked with advising the Board of Directors in the matters indicated above, through the definition of non-binding recommendations and opinions. If the Strategic Steering Committee has been formed, the Chairman Emeritus is called upon to be a member.

Without prejudice to the considerations set out in the Foreword regarding the possible assumption of the role of Chairman Emeritus by Alberto Bombassei (cf. item 3 on the Agenda of the Ordinary Shareholders' Meeting), and on a general basis, the Board of Directors underlines that the amendments to the By-laws illustrated stem from the need to introduce measures designed to facilitate the optimal functioning of the company bodies and the Group's competitiveness on the market by allowing the Company to retain individuals who have distinguished themselves over time for their contribution to the Company's development and growth, even without giving them a management role and decision-making functions.

In fact, as already noted, the Chairman Emeritus, while not necessarily acting as Director, may express opinions focusing his contribution on the steering and strategic activities of the Board of Directors with regard to the growth process pursued by the Company and Group and the choices fundamental to Brembo's development and to its future value creation. The Chairman Emeritus may also represent the Company so that the latter may benefit from the authoritativeness of a prominent figure at events and institutional gatherings.

The Chairman Emeritus' term of office, where it exceeds that of members of the Board of Directors, also offers the benefit of continuity even where Directors change.

## **2. INTRODUCTION OF ARTICLE 17-BIS OF THE BY-LAWS**

---

In light of the foregoing, it is therefore deemed appropriate to make several amendments to the By-laws. The proposed text of Article 17-*bis* is illustrated below.



CURRENT TEXT	PROPOSED TEXT
-	<p>Article 17-bis)</p> <p><u>1. The Ordinary Shareholders' Meeting may appoint, from within or externally to the members of the Board of Directors, a Chairman Emeritus (hereinafter the "Chairman Emeritus"), chosen from among individuals who have contributed to the Company's prestige and development notably and for a significant period of time.</u></p> <p><u>2. Concurrently with the appointment of the Chairman Emeritus, the Ordinary Shareholders' Meeting shall set his or her term of office, which may also be indefinite; in this case, the appointment may be revoked at any time by resolution of the Ordinary Shareholders' Meeting. The Chairman Emeritus may be re-elected.</u></p> <p><u>3. The functions of the Chairman Emeritus are established by the Board of Directors. In particular, the Chairman Emeritus may be assigned advisory functions relating to the definition of strategies and determination of actions aimed at the growth of the Company and Group, the execution of extraordinary transactions and the preparation of guidelines for the development of new products and/or the identification of new markets.</u></p> <p><u>4. The Board of Directors may appoint a Strategic Steering Committee tasked with advising the Board of Directors regarding the matters indicated in paragraph 3 above, without prejudice to the non-binding nature of the Committee's recommendations and opinions.</u></p> <p><u>5. Where a Strategic Steering Committee is formed, the Chairman Emeritus shall be a member thereof.</u></p> <p><u>6. The Board of Directors may also task the Chairman Emeritus with representing the Company at events relating to cultural, scientific and charitable activities and at institutional meetings with public and private entities.</u></p>



	<p><b><u>7. The Chairman Emeritus may participate in meetings of the Board of Directors and sessions of the Ordinary and/or Extraordinary Shareholders' Meeting. At meetings of the Board of Directors, the Chairman Emeritus expresses non-binding opinions and considerations, without voting rights.</u></b></p> <p><b><u>8. The Board of Directors determines any remuneration and expense refund to which the Chairman Emeritus is entitled.</u></b></p>
--	---

### **3. BOARD OF DIRECTORS' CONSIDERATIONS REGARDING THE RIGHT OF WITHDRAWAL**

The Board of Directors deems that the amendments to the By-Laws illustrated above do not give rise to the right of withdrawal pursuant to and for the purposes of Article 2437 of the Italian Civil Code.

Now therefore, in light of the foregoing, we submit for your approval the following draft resolution.

#### **Draft resolution**

Shareholders,

In light of the foregoing, Brembo's Board of Directors invites you to approve the following draft resolution:

*"The Extraordinary Shareholders' Meeting of Brembo S.p.A.:*

- (i) Having examined the "Illustrative Report of the Board of Directors" on the first item on the Agenda of the Extraordinary Meeting and the ensuing motion; and*
- (ii) agreeing on the reasons underlying the aforementioned motion*

#### **resolves**

- 1) to introduce Article 17-bis of the By-laws as illustrated above;*
- 2) to grant the Board of Directors, and on its behalf the [●] and [●], separately between them and also through special attorneys-in-fact appointed to this end, the fullest powers, without any exclusions, as necessary or appropriate to execute the foregoing resolution and exercise the powers governed by it, as well as to apply all amendments, additions or eliminations of a non-substantial nature that should prove necessary to the said resolution, upon the request of any competent authorities or upon registration with the Register of Companies, on the behalf of the Company."*

Stezzano, November 16<sup>th</sup>, 2021

On behalf of the Board of Directors  
The Chairman  
Alberto Bombassei