

ILLUSTRATIVE REPORT OF THE BOARD OF DIRECTORS CONCERNING THE FIRST ITEM ON THE AGENDA OF THE EXTRAORDINARY SHAREHOLDERS' MEETING OF BREMBO S.p.A., CALLED ON 22 APRIL 2021 (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 Attachment 3A, Table 3, thereof)

Amendments to Articles 1 and 4 of the By-laws of Brembo S.p.A.:

1.1 Amendments to the Purpose (Article 4)

1.2 Amendment to the Name (Article 1)

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 "**Company**") with regard to:

- (i) the expansion of the purpose to render it compatible with the technological evolution of the automotive market (the Group's business scope) and with Brembo's new mission of becoming a Solution Provider to support its partners in creating solutions to the challenges posed by the new mobility paradigms, such as electrification, autonomous vehicles and digitalisation, as well as to allow the Company to enter sectors of activity adjacent to that in which it currently operates;
- (ii) the change of the Company's name from Freni Brembo S.p.A. to Brembo S.p.A.

1.1 Amendments to the Purpose (Article 4)

Foreword

The change of the description of the activities that make up the purpose is intended to align the By-laws with the technical and technological progress that has taken place in recent years in the automotive sector in which the Group operates and to reflect its potential future development, while also allowing the Group to offer consulting services to identify "tailor-made" solutions intended to meet the specific needs of its partners.

In addition, it will enable the Group to be present throughout the value creation chain.

1.1.1 SCOPE OF THE AMENDMENT

The Board of Directors proposes that several amendments be made to the letter of Article 4 of the By-laws to reflect more accurately and adequately the development of the Group's business (also conducted through parent companies, subsidiaries and investees, both in Italy and internationally), in light of the technological progress and natural development of the activities concerned, as well as to extend the purpose to allow the Group to take advantage of the opportunity of serving the entire chain of value creation, including by entering sectors adjacent to its core business.

In addition, as stated above, the proposed amendments provide for the possibility for Brembo to offer innovative new consulting services and conduct research activity in collaboration with Italian and international entities, universities and research centres in order to pursue optimal quality of its services, ensure innovative content and keep them constantly abreast of technological progress.

The proposed amendments are also intended to incorporate one of the Group's existing commitments — to pursue sustainable, lasting development — into its By-laws.

In detail:

- in reference to letter a), the proposed amendments are intended to extend the list of the Group's activities in its core sector (automotive) to all industrial and technological activity relating to any parts and/or components and/or accessories of vehicles in all markets at the global level and for all types of consumers or users. A new definition of "vehicles" has been introduced to also include recently developed vehicles (for example, vehicles with electric transmission or based on alternative energy), in addition to any future developments (such as self-driving vehicles). Finally, the new formulation is intended to underline the technological, innovative content of the Group's activities, characterised by the fundamental role of research and development;

- with reference to the proposed amendments under letters b), c), d) and e), replaced by the new letters b) and c), it should be observed that technological evolution is progressively transforming vehicle components from mere mechanical instruments into complex, sophisticated devices in which the software element takes on crucial importance. Such software is increasingly functional to developing and designing products and components by processing the available data and/or information. The proposed amendment is intended to allow the Group to create and acquire or market technologies for analysing and processing such data and/or information, as well as using and storing it, in order to perform custom consulting services to third parties and propose and develop solutions intended to meet specific needs through its technical and engineering expertise. In this regard, the purpose also includes the formation and/or acquisition of shareholdings in innovative start-ups and the carrying out of studies and research, including in partnership with institutions.

In addition, the creation of new materials is taking on increasing importance, while recent developments in the field of artificial intelligence and its growing applications mean that the Company must take such progress into account, including through the possibility of generating, collecting, processing, managing and marketing data and/or information generated by the Company's activity or by its products and/or services.

Accordingly, the proposed amendment seeks to reflect more thoroughly the actual activity underlying the study and production of vehicle components — the Group's core business — by aligning the letter of the By-laws with the Group's characteristics and the contents of its activity;

- the introduction of the new letter d) is intended to allow the Group to seize the opportunity to develop its brand, and in general enhance the Group's image, by entering sectors other than its core business, such as those relating to accessories, beverages, objects, merchandising, e-games, etc., that are capable of conveying the Group's values;

- the amendment to letter f) (in the new formulation, letter e)) is closely tied to the foregoing and is designed not to confine the opportunities to develop Brembo's brand solely to athletic apparel, but also to enable the Group to enter the apparel sector generally, including non-athletic apparel;

- from another perspective, the formulation of Article 4 that the Board of Directors proposes be adopted is so as to include possible evolutions of the Group's organisational structure. The introduction of references in multiple points to parent companies, subsidiaries and investees both in Italy and internationally would allow the Group — where expansion or reorganisation opportunities present themselves — to identify the structure that is most efficient and best suited to pursuing its objectives;

- with regard to the second paragraph, the proposed amendment is designed also to include corporate transactions, i.e. those with the goal of shaping the Group’s structure in pursuit of efficiency;
- in the second to last paragraph, the Board of Directors proposes eliminating the limitations on acquiring equity interests and shareholdings in other companies or enterprises so as to ensure the utmost flexibility in undertaking such extraordinary transactions and identifying the organisational structure that is most efficient and best suited to pursuing the Group’s objectives. It also proposes explicitly stating that such transactions may involve the formation or acquisition of a controlling or 100% investment in insurance and/or reinsurance companies with the goal of managing within the Group the risks not transferred to the insurance market;
- by specifying and explaining in further detail what is stated in the penultimate paragraph, in the interest of the effective pursuit of the purpose the Board of Directors proposes that the Company be allowed to grant and obtain loans and provide guarantees, on condition that such transactions are required or useful to achieving the company’s purpose, in addition to issuing bonds (including convertible bonds), expressly excluding activities and services to be regarded as reserved under applicable laws and regulations.

1.1.2 AMENDMENT TO ARTICLE 4 OF THE BY-LAWS

In light of the foregoing, it is therefore deemed appropriate to make several amendments to the By-laws. The proposed amendments to Article 4 of the By-laws are illustrated below.

CURRENT TEXT	PROPOSED TEXT
<p>Art. 4) PURPOSE</p> <p>The Company has for its corporate purpose engagement in the activities indicated below, directly and/or indirectly, and even through the acquisition of participating interests in businesses and corporations:</p> <p>a) the analysis, design, development, application, production, assembly, sale and/or distribution of braking systems, wheels, clutches, their parts, and components for cars, industrial vehicles, motorbikes and means of transport in general, including vehicles to be used for racing;</p> <p>b) the foundry of light alloys and metals in general;</p> <p>c) mechanical constructions and work processes, as well as analysis, design, development, manufacturing and sale of mechanical, electric, electro mechanic, electronic and mechatronic systems in general;</p> <p>d) the repair and application, even though installation on the Company’s own and third party vehicles, of braking systems, wheels and other components for testing on roads;</p> <p>e) the sale, distribution and marketing of products (including software programmes) designed,</p>	<p>Art. 4) PURPOSE</p> <p><u>With the aim of pursuing sustainable success</u>, the Company has for its corporate purpose engagement in the activities indicated below following, directly and/or indirectly, and even through the acquisition of participating interests in businesses and corporations <u>in Italy and abroad and/or through its parent companies, subsidiaries and investees in Italy and internationally:</u></p> <p><u>a) all ÷</u></p> <p>a) the <u>industrial and technological activities, including</u> the analysis, planning, <u>prototyping, testing, design,</u> development, application, production, assembly, sale and/or distribution of braking systems, wheels, clutches, their parts and/or components for cars, industrial vehicles, motorbikes and means of transport in general, including vehicles to be used for <u>and/or accessories of all kinds (including, but not limited to, mechanical and/or electrical and/or electronic and/or mechatronic parts and/or components relating to the wheel-side module, brakes, friction materials, wheels, spindles, tyres, suspensions, shock absorbers, electronic control units, sensors, actuators, detectors, robotised components, etc.)</u></p>

manufactured or distributed by the Company or its subsidiaries;

f) the manufacture, marketing and sale of sports clothing and other accessories primarily for the racing sector;

g) the supply of services and/or consultancy services in the areas connected with company activities to subsidiaries or other companies, as well as to public and private entities or to third parties in general;

h) the organisation, on behalf of subsidiaries or other companies, as well as public and private entities or third parties in general, of courses, seminars and conventions; the publication and distribution of books, notes and technical bulletins for training and information in the areas of activity in which the Company operates;

i) the management and coordination of subsidiaries, undertaking support activities as well as organisation, technical, managerial and financial coordination, as may be deemed useful or necessary.

The Company may undertake any and all the commercial, industrial and financial transactions, involving both personal property and real estate, that

the Board of Directors may deem necessary or useful in the pursuit of the Company's corporate purpose clause. The Company may also stand surety and issue performance bonds and other guarantees, including guarantees in rem and in the interest of third parties. The Company may, furthermore, acquire participating interests and shareholdings in other companies or corporations of any nature or kind whatsoever, provided that such acquisitions are not effected as the Company's core business or for further placement with third parties. The Company may also finance any and/or all the direct and/or indirect subsidiary and associated companies of the Brembo group, and may also receive financing from any and/or all the direct and/or indirect subsidiary and associated companies of the Brembo group.

Pursuant to Treasury Ministry Decree of 2 March 1995 published in the Official Gazette of 12 April 1995, as further amended and extended, the

intended for all means of transport (including non-road vehicles) for property, products and/or individuals (including, but not limited to, four-, three- and two-wheel vehicles, autonomous vehicles for carrying property, products and/or individuals, push scooters and vehicles with new technological conceptions), including, but not limited to, all means of transport with all types of combustion, electric, electronic, manual and physical propulsion, based on alternative energy of all kinds, as well as autonomous means of transport and/or connected and/or associated means of transport and/or all types of innovative means of transport that may be developed in future through the use of new technologies; all for road, sea, air and rail use and in -racing; of all kinds related to the aforementioned means of transport. The foregoing within the framework of all types of markets at the global level and towards all categories of consumers/users (including, for example, industrial and retail markets, such as the OEM, OES and aftermarket markets).

b) the foundry of light alloys and metals in general; **The Company also performs the following activities and services in reference to the products, goods and markets indicated above:**

c) mechanical constructions and work processes, as well as

(i) the provision of consulting services to third parties (within the framework of the provisions of applicable legislation), including, but not limited to, engineering consulting services, creation of software, algorithms, artificial intelligence systems and the performance of trials, tests and simulations of all kinds;

(ii) the analysis, design, development, manufacturing and sale of mechanical, electric, electro-mechanic, electronic and mechatronic systems in general – production, purchase, sale, licensing, as licensor and/or licensee, including to and/or from third parties (within the framework of the provisions of applicable legislation) of all kinds of software, databases, data analytics, algorithms, artificial intelligence systems, infrastructure and/or new technologies, data of all kinds (Big Data), platform for aggregate analysis of data relating to the foregoing, including data and/or

Company may also solicit investments for its own employees, provided that the amount of such investments is contained within the limits of the Company's overall paid-up share capital and reserves as per the last approved financial statements.

information generated by the Company's activity or by its products and/or services;

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(iii) the repair and application, even though installation on the Company's own and third party vehicles, the use and storage of proprietary and/or third-party databases, including in dematerialised and cloud form (but always in accordance with applicable legislation);

(iv) the development, preparation, use, purchase and marketing of proprietary and non-proprietary information platforms (including licensed as licensor and/or licensee) for the performance of all online activity permitted by applicable legislation (and including subscription activities);

(v) the performance of studies and research on its own or in partnership with Italian and International Entities, Universities and Research Centres;

(vi) the formation and/or acquisition of shareholdings in innovative start-ups, including through corporate venture capital initiatives.

c) the foundry of light alloys and metals in general, the manufacture of systems braking systems, wheels, and other for the production of new materials and/or new components testing on roads, including electronic systems and/or systems based on the creation of "smart systems" and/or on the creation of proprietary software, intended for the above means of transport;

and) the sale, distribution and production, marketing of products (including software programmes) designed, manufactured or distributed by the Company or, licensing (as licensor and/or licensee) and sale of all types of consumer goods (including, by way of example, apparel, accessories, beverages, objects, merchandisings, e-games, etc.), whose design, style, performance, taste, visibility, aesthetics, use, perception, utility, etc. are capable of conveying the values of Brembo and thus of its proprietary brands and/or those of its parent companies and/or subsidiaries and/or investees anywhere in the world;

f~~e~~) the manufacture, marketing, licensing (as licensor and/or licensee) and sale of sports clothing ~~ed~~ as well as other type of clothing and other accessories primarily for the racing sector ~~of any kind whatsoever characterised by Brembo's brand awareness;~~

g~~f~~) the supply and/or licensing (as licensor and/or licensee) to parent companies and/or subsidiaries and/or investees, as well as other third-party companies, ~~as well as~~ and public and private entities and third parties in general, relating to services and/or consultancy services ~~in the areas connected with company activities~~ concerning the activities referred to in the other points of this article;

h~~g~~) the organisation, on behalf of parent companies and/or subsidiaries and/or investees or other companies, as well as public and private entities or third parties in general, of courses, seminars and conventions anywhere in the world; the publication and distribution of books, notes, e technical bulletins, in any form whatsoever and/or with the use of any kind of available technology, for training and information in the areas of activity in which the Company operates; included in the purpose;

i~~h~~) the management, ~~and~~ coordination and control of subsidiaries and/or investees, undertaking all support activities as well as organisation, technical, managerial and financial coordination, as may be deemed appropriate, in compliance with laws, including tax laws, applicable in the countries in which the Company, its subsidiaries and/or associates and/or investees, directly or indirectly, operate.

The Company may undertake any and all the commercial, corporate, industrial and financial transactions, involving both personal property and real estate, that the Board of Directors may deem necessary or useful in the pursuit of the Company's corporate purpose clause. The Company may also stand surety and issue performance bonds and other guarantees, including guarantees in rem and in the interest of third parties.

The Company may, furthermore, acquire participating interests and shareholdings in other companies or corporations of any nature or kind

whatsoever, provided that such acquisitions are not effected as the Company's core business or for further placement with third parties. The Company may also finance any and/or all the direct and/or indirect subsidiary and associated companies of the Brembo Group, and may also receive financing after obtaining, where necessary, the authorisations provided for by the applicable laws. Without limitation of the foregoing, the Company may proceed with the formation of insurance and/or reinsurance companies or acquire controlling or 100% shareholdings in such companies in order to manage within the group and finance the risks of the Companies and/or subsidiaries and/or investees not transferred to the insurance market.

The Company may receive loans from shareholders with the obligation for repayment in accordance with applicable legislation and receive loans to and from all companies of the Brembo group of which it is the parent (subsidiaries and/or direct and/or indirect associates.—), provide sureties, endorsements and collateral and personal guarantees for shareholders and third parties, provided that such assets and transactions are not undertaken professionally in respect of the public and are always necessary or useful to achieving the purpose.

The Company may also issue bonds, including convertible bonds, by resolution of the directors pursuant to and in accordance with the law.

The purpose shall necessarily exclude, and the Company shall refrain from, the solicitation of investment by the public, the provision of investment services, collective asset management, the purchase and sale of financial instruments through offering to the public and all other services and activities to be considered reserved pursuant to Legislative Decree No. 385 of 1 September 1993, Legislative Decree No. 58 of 24 February 1998 ("TUF"), and any and all other applicable provisions of laws and regulations.

Pursuant to Treasury Ministry Decree of 2 March 1995 published in the Official Gazette of 12 April 1995, as further amended and extended, the Company may also solicit investments for its own employees, provided that the amount of such investments is contained within the limits of the

	Company's overall paid-up share capital and reserves as per the last approved financial statements.
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1.1.3 BOARD OF DIRECTORS' CONSIDERATIONS REGARDING THE RIGHT OF WITHDRAWAL

Given the scope of the amendments to the purpose proposed to the General Shareholders' Meeting, Brembo's shareholders who do not contribute to the approval of the resolution on the amendment to the purpose will be entitled to exercise the right of withdrawal pursuant to Article 2437, paragraph 1, letter a), of the Italian Civil Code (the "Withdrawing Shareholders").

Pursuant to Article 2437-*bis* of the Italian Civil Code, the Withdrawing Shareholders may exercise the right of withdrawal in respect of all or part of the shares held, by sending a notice by means of registered letter to Brembo's registered offices in Curno (Bergamo, Italy) at Via Brembo, 25, within 15 calendar days of the registration in the Bergamo Companies Register of the resolution of the General Shareholders' Meeting approving the amendments to the By-laws set out above. A registration notice will be published on the website of Brembo S.p.A., www.brembo.com in the section Investors, For Shareholders, Corporate Notices and in a daily newspaper, as well as on the authorised storage system (www.1info.it).

Shareholders who exercise the right of withdrawal must submit a specific notice, sent by an authorised intermediary, attesting that the intermediary held the shares subject to withdrawal on the shareholders' account before the commencement of the Extraordinary Shareholders' Meeting and uninterruptedly until the date of the notice concerned. Further details on the exercise of the right of withdrawal will be provided to Brembo's shareholders in accordance with applicable provisions of laws and regulations.

Shares for which the right of withdrawal has been exercised cannot be sold.

Pursuant to Article 2437-*ter*, paragraph 3, of the Italian Civil Code, the liquidation price to be paid to the Withdrawing Shareholders has been calculated in reference to the arithmetic average of the closing prices of Brembo shares in the six months prior to the publication of the notice of calling of the Extraordinary Shareholders' Meeting (scheduled for 22 April 2021). The unit liquidation value of the Company's ordinary shares for which the right of withdrawal is to be exercised has been set at Euro 10.036.

Once the 15-day period ends, Brembo shares for which the right of withdrawal has been exercised will be offered on option to shareholders who have not exercised the right of withdrawal on the basis of the option ratio to be determined by the Board of Directors according to the shares subject to withdrawal. Any shares not placed within the framework of the option offering may be offered to third parties; any shares that remain and that have not been sold must be redeemed by purchase by the Company.

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

Draft resolution

Shareholders,

In light of the foregoing, the 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 motions; and
- (ii) agreeing on the reasons underlying the aforementioned motions

RESOLVES

- 1) to amend Article 4 of the By-laws as illustrated above;
- 2) to award the Board of Directors, and on its behalf the Chairman and Executive Deputy Chairman in office, separately between them and 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 faculties governed by the said resolution, and to apply all amendments, additions or eliminations of a non-substantial nature that should prove necessary to the resolution of the shareholders' meeting, upon the request of all competent authorities or upon registration with the Companies Register, in representation of the Company."

1.2 Amendment to the Name (Article 1)**1.2.1 SCOPE OF THE AMENDMENT**

Considering that the Company's name - "Freni Brembo S.p.A." - suggests a focus on the brake sector that is no longer current in view of the expansion of the activities that make up its purpose, by virtue of the amendments illustrated in paragraph 1.1 above, the Board of Directors proposes that the Company's name be changed to "Brembo S.p.A."

1.2.2 AMENDMENT TO ARTICLE 1 OF THE BY-LAWS

In light of the foregoing, it is therefore deemed appropriate to make a further amendment to the By-laws. The proposed amendment to Article 1 of the By-laws is illustrated below.

CURRENT TEXT	PROPOSED TEXT
Art. 1) NAME These By-laws regulate the joint-stock company named: "FRENI BREMBO S.P.A." and also, more briefly: "BREMBO S.P.A."	Art. 1) NAME These By-laws regulate the joint-stock company named: "BREMBO S.P.A."

1.2.3 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, the 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 motions; and
- (ii) agreeing on the reasons underlying the aforementioned motions

RESOLVES

- 1) *to amend Article 1 of the By-laws as illustrated above;*
- 2) *to award the Board of Directors, and on its behalf the Chairman and Executive Deputy Chairman in office, separately between them and through special attorneys-in-fact appointed to this end, the fullest powers, without any exclusions, as necessary or appropriate to execute the foregoing resolutions and exercise the faculties governed by the said resolutions, and to apply all amendments, additions or eliminations of a non-substantial nature that should prove necessary to the resolutions of the shareholders’ meeting, upon the request of all competent authorities or upon registration with the Companies Register, in representation of the Company.”*

Stezzano, 4 March 2021

On behalf of the Board of Directors

The Chairman

Alberto Bombassei