



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

*(prepared pursuant to Article 125-ter of Legislative Decree No. 58 of 24 February 1998, as subsequently amended and extended, and Article 84-ter of Consob Regulation No. 11971 of 14 May 1999, as subsequently amended and extended)*

**1. Appointment of a Director for the integration of Brembo S.p.A.'s Board of Directors. Relevant and ensuing resolutions.**

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Shareholders,

This Report — prepared pursuant to Article 125-ter, paragraph 1, of Legislative Decree No. 58 of 24 February 1998, as subsequently amended and extended (“**TUF**”), and Article 84-ter of Consob Regulation No. 11971 of 14 May 1999, as subsequently amended and extended — was approved by the Board of Directors of Brembo S.p.A. (“**Brembo**” or the “**Company**”) in the meeting held on November 16<sup>th</sup>, 2021 and is made available to the public in accordance with the terms provided for by applicable laws and regulations in force at the Company's registered office, on the corporate website at [www.brembo.com](http://www.brembo.com), in section “Investors”, “For Shareholders”, “Shareholders' Meeting”, as well as on the authorised storage system “1info-storage” ([www.1info.it](http://www.1info.it)).

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With regard to item 1 on the Agenda of the Ordinary Shareholders' Meeting, it bears recalling that on November 16<sup>th</sup>, 2021, Alberto Bombassei, Chairman and member of the Board of Directors — Non-independent Director drawn from the list submitted by the majority shareholder Nuova FourB S.r.l. (majority list) — resigned from such roles effective as the date of the General Shareholders' Meeting called, inter alia, to integrate the Board of Directors.

In this regard, as on 23 April 2020 the Ordinary Shareholders' Meeting of the Company resolved to set at 11 the number of the members of the Board of Directors who will remain in office until the approval of the Financial Statements for the year ending 31 December 2022, it is therefore necessary to appoint a new member to integrate the Board of Directors. The term of office of the new Director will be the same as that of the current Board of Directors, and thus until the General Shareholders Meeting held to approve the Financial Statements for the year ending 31 December 2022, and his/her remuneration will be determined based on the resolution passed by the Ordinary Shareholders' Meeting on 23 April 2020.

In accordance with the By-laws (Article 15-ter), appointment of a Director in replacement of an outgoing Director is made in derogation of the vote-by-list system and in accordance with the laws and regulations in effect from time to time regarding the balance of the genders (male and female).

It bears recalling that, at the reporting date, the Company's Board of Directors is made up of 11 members (of which 10 drawn from the majority list and 1 drawn from the minority list) and meets the requirement of independence and gender balance established in applicable laws and regulations. Six out of the 11 members of Brembo's Board of Directors meet independence requirements, 5 are women and 6 are men.

As for the optimal composition of the governing body, the Board refers to the Policies and Criteria on the Diversity of the Governing Body — applicable with effect from the 2017-2019 Board term, as set out in the Regulations of the Board of Directors, incorporated into Brembo S.p.A.'s Corporate Governance Manual and reflected in the scheme set out below — which, according to the administrative body, guarantee — in addition to compliance with current laws and regulations — the ideal checks and balances between powers, responsibilities and professional expertise to ensure an adequate balance and coherence between the internal expertise of the Board of Directors and Board Committees and the gradual renewal of Directors, while also ensuring the stability and continuity of management of the Board of Directors. These criteria form the basis of reference for the orientation provided by the Board of Directors for the management and professional figures to be named as candidates to replace a Director who resigns.

<b>ADDITIONAL CRITERIA FOR DIVERSITY</b> <b>(ARTICLE 2, PARAGRAPH 3, OF BREMBO S.P.A. CORPORATE GOVERNANCE MANUAL)</b>	
<b>QUANTITATIVE FEATURES</b>	
<b>AGE</b>	<i>Independent Directors:</i> a maximum age of 75 and a minimum age of 35 (at the date of submission of the lists for the purpose of a potential candidacy). Reaching the maximum age limit will not be considered mid-term and, if reached, will not entail any forfeiture.
<b>OVERALL NUMBER</b>	11
<b>No. OF NON-EXECUTIVE DIRECTORS</b>	At least 7
<b>No. OF INDEPENDENT DIRECTORS</b>	At least 5
<b>No. OF MINORITY DIRECTORS</b>	At least 1 (or more than 1, where required by the By-laws).
<b>GENDER</b>	Percentage of seats reserved to the less represented gender in accordance with legislation applicable from time to time <sup>1</sup> .
<b>ALTERNATION</b>	Change of a maximum of 3 Directors each time the Board is elected, in order to ensure continuity of management, while also providing an incentive for the progressive re-election of Directors.
<b>SENIORITY OF SERVICE</b>	<i>Independent Directors:</i> persons who have already served three consecutive terms on the Company's Board of Directors cannot stand as candidates for the office of Director.
<b>NO CROSS-DIRECTORSHIPS</b>	<i>Executive Directors:</i> they cannot be directors of another company (not belonging to the same Group) of which a company Director is the Chief Executive Officer.
<b>QUALITATIVE FEATURES</b>	
<b>SKILLS</b> <i>Background</i>	<ul style="list-style-type: none"> <li>. At least four positions must be filled by entrepreneurs or managers who have an international background and/or are from a geographical area where Brembo's business has a significant presence.</li> <li>. A maximum of two positions may be filled by academics and/or professionals.</li> </ul>
<b>Professionalism</b>	<ul style="list-style-type: none"> <li>. Record of honouring shared ethical principles.</li> <li>. Knowledge of business mechanisms, strategies, risk assessment and management techniques and sustainability profiles.</li> <li>. Ability to interpret industry scenarios and trends, performance of competitors and development of enterprises in the medium-to-long term and to assess alternative strategic guidelines and options with a view towards strategic orientation.</li> <li>. Managerial, entrepreneurial, business and organisational experience.</li> <li>. Understanding of the dynamics of the global financial system.</li> <li>. Experience as director or auditor, or as executive or manager, of listed or medium-to-large enterprises.</li> <li>. Managerial, professional or university lecturer experience in legal, economic, business or technical disciplines.</li> </ul>
<b>Personal aptitudes</b>	<ul style="list-style-type: none"> <li>. Sufficient time available in view of the complexity of the assignment (see also "Maximum number of positions" below).</li> <li>. Full understanding of the powers and obligations inherent in the position and the functions to be performed.</li> <li>. Ability to stand up for and defend his or her own ideas and take a stand for the interest of Brembo and its stakeholders.</li> </ul>

<sup>1</sup> For the three-year term 2020-2022, the 2020 Budget Law applies: 2/5.

	<ul style="list-style-type: none"> <li>. Collaboration, involvement and ability to influence (knowing how to instil and contribute to professionalism and the development of opinions and taking a part in resolving conflicts).</li> <li>. A result-oriented approach and encouragement of colleagues in focusing constructively on the goals to be achieved.</li> <li>. Business judgement and decision-making ability (encouraging behaviour and ensuring evaluation and decision-making skills focused on developing the business).</li> </ul>
<b>NO COMPETITION</b>	Candidates for the office of Director cannot have or accept consulting assignments from competing firms.
<b>ARTICLE 1, PARAGRAPH 2, OF BREMBO S.P.A. CORPORATE GOVERNANCE MANUAL</b>	
<b>RELEVANT POSITIONS</b>	The Directors shall accept their appointment when they deem they can devote the necessary time to the diligent performance of their duties, taking account, among other things, of the commitment resulting from their job and professional tasks, the number of positions they hold as Directors or Statutory Auditors in other companies listed on regulated markets (including foreign markets), financial companies, banks, insurance companies and large companies. Large companies are defined as companies that reported total sales or turnover exceeding €500,000,000.00 (five hundred million euro) in the last financial year.
<b>ARTICLE 1, PARAGRAPH 3, OF BREMBO S.P.A. CORPORATE GOVERNANCE MANUAL</b>	
<b>MAXIMUM NUMBER OF POSITIONS</b>	<p>The commitment required of Directors does not consist solely of participation in Board meetings, but also extends to an analysis of the documentation sent in view of each meeting, participation in Board Committees and participation in informal and/or induction sessions. It is therefore essential that Directors have sufficient time to carry out their duties. Directors may not have more than 4 simultaneous positions at listed companies (positions at listed companies in which the Director also holds a significant equity interest do not count).</p> <p>The Board of Directors conducts an assessment based on the declarations made by the Directors (or candidates for the position of Director) and the following criteria:</p> <ul style="list-style-type: none"> <li>. professional competence and independence of judgment;</li> <li>. verification of their commitment, active and constant participation in the meetings of the Board of Directors, Board Committees and various management activities of the Company, also in light of their professional commitments;</li> <li>. any relationship that may be or appear such as to compromise the independence of judgment of the Director.</li> </ul>

As for the professional figures of the Directors, also in light of the results of the 2019 Board Performance Evaluation, the Board of Directors deems it necessary to ensure high quality and complementary professional expertise and personalities among the various Directors and to guarantee a balance between them and the Group's strategic vision.

In light of the above, those entitled to do so are invited to submit candidates for appointment as Director. Nominations of candidates must be accompanied by: (i) the curriculum vitae of each candidate providing exhaustive information on his/her personal and professional features; (ii) a declaration signed by the candidate specifying: (a) the candidate's acceptance and non-existence of causes of ineligibility and dismissal, satisfaction of integrity and professionalism requirements and satisfaction, where applicable, of the independence requirements set by applicable laws and regulations and/or Brembo S.p.A.'s Corporate Governance Manual, (b) any other position held in companies classified as relevant in the categories identified by Article 1, paragraph 2, of Brembo S.p.A.'s Corporate Governance Manual (given in the table above); (c) compliance with the provision on the maximum number of positions as per Article 1, paragraph 3, of Brembo S.p.A.'s Corporate Governance Manual (given in the table above); (iii) a list of the shareholders submitting the candidature, with an indication of their names, company names, registered offices, registration number with the Register of Companies or an equivalent body, and the overall percentage of share capital held by the shareholders submitting the candidature.

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In light of Article 125-*bis* of TUF (concerning the need to make draft resolutions available to the shareholders) and Article 135-*undecies* of TUF (concerning the need for shareholders to give voting instructions to the designated representative appointed by the Company, pursuant to the above Article), the text of the resolution concerning the first item on the Agenda of the Ordinary Shareholders' Meeting is set out below, it being understood that, since the resolution in question concern the appointment of a member of the Board of Directors, it is necessarily incomplete as at the date of this report, since additional/alternative proposals beyond that indicated below may be submitted to the Shareholders' Meeting.

Now therefore, in light of the foregoing, we submit for your approval the following:

#### **Draft resolution**

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

- *having acknowledged the need to appoint a new member of the Board of Directors;*
- *having acknowledged the candidates for the position of Director, whose nominations are accompanied by the necessary documentation, have been validly submitted;*
- *having acknowledged the results of voting;*

#### **resolves**

- (1) *to appoint the candidate [●] as member of the Board of Directors, to remain in office until the date of approval of the Financial Statements for the year ending 31 December 2022;*
- (2) *to authorise the [●] and [●], separately, to take all actions necessary to the full execution of the aforementioned resolution, with any and all necessary and appropriate powers to that end, without exclusion, and with the power to delegate third parties."*

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

On behalf of the Board of Directors  
The Chairman  
Alberto Bombassei