

TURNING ENERGY INTO INSPIRATION

REPORT ON THE REMUNERATION POLICY FOR 2024 AND REMUNERATION PAID IN 2023 OF THE BREMBO GROUP

English Translation for convenience – Only the Italian
version is authentic

Brembo S.p.A.

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**REPORT ON THE
REMUNERATION POLICY FOR 2024
AND REMUNERATION PAID IN 2023
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LETTER FROM THE CHAIRMAN

Dear Shareholders,

In my capacity as the Chairman of the Remuneration & Appointments Committee, I am pleased to present to you the Report on the Remuneration Policy for 2024 and Remuneration Paid in 2023, approved by the Board of Directors on 5 March 2024. The document has been drawn up in compliance with Article 123-ter of TUF and with the regulatory provisions in force in The Netherlands.

2023 was yet another year marked by an extraordinary geopolitical and macroeconomic complexity. Global economy had to face numerous challenges, shaped by three important factors: the Middle East crisis, the constantly growing global tensions and the financial market instability. After a promising start, helped by lower energy prices and the recovery of the Chinese economy, global growth slowed in 2023. The impact of tighter monetary policies is becoming increasingly visible, as business and consumer confidence deteriorates and China's growth decelerates. All this reflects on the last OECD growth estimates, according to which global GDP growth is projected to remain sub-par in 2023 and 2024, at 3% and 2.7% respectively, held back by the macroeconomic policy tightening needed to rein in inflation.

In 2023, Brembo faced several major challenges as well, considering the increasingly complex geopolitical and macroeconomic context. Nonetheless, the Company confirmed its robust operating and financial performance. Brembo's revenues rose by 6% compared to the previous year, nearing €4 billion, driven by customers' constant appreciation, product innovation and Brembo People's commitment. The Company also continued to generate positive cash flows and reduced its debt, confirming a solid financial position. Brembo made further investments in ambitious programmes, steadily focusing on product innovation.

As 2023 results remained at excellent levels, Brembo was able to further expand innovation and research. Among the initiatives undertaken, worth of mention is the new unit Brembo Solutions, aimed at supporting global businesses in maximising AI and machine learning potential through the "AI-Doing" approach, rooted in Brembo's extensive expertise in the highly competitive sector in which it operates. In addition, we also consolidated Brembo Inspiration Lab, our first centre of excellence based in Silicon Valley and focused on software development, data science and artificial intelligence: it is the tangible embodiment of our Vision "Turning energy into inspiration".

All these initiatives are part of Brembo's increasingly consolidated path to become a renowned Company not only in the automotive industry, but also a reliable player in the software industry, in line with its Mission to be a well-established Solution Provider that combines its products with higher valued-added services and solutions to complement its "traditional" business.

Moreover, thanks to investments of approximately €500 million, Brembo is growing at global level, expanding its production capacity in three key countries on three continents: it is investing in building new plants with a view to digital transformation and sustainability. In Mexico, Brembo is completing the expansion of its plant specialised in manufacturing brake calipers. Once operational, this new facility will enable Brembo to double its production capacity in the country. In China, Brembo is expanding its braking system plant, thus strengthening its production capacity in the country: this investment also includes the renovation of the site's R&D centre, so as to create an advanced hub supporting the development of the new technologies required by the Chinese market. In Poland, Brembo has planned to build a new cast-iron foundry through a project that will lead to Brembo's most advanced foundry the world over, equipped with cutting-edge technologies and sustainability-oriented. In addition to these projects, Brembo also acquired the Italcementi property at Kilometro Rosso in Italy — a transaction that will allow it to further expand its headquarters in line with its growth plan. Thanks to these investments and its new facilities, Brembo is consolidating its global footprint and strengthening its production capacity in the braking system sector. The Company is therefore committed to meeting the growing demand for high quality products, while continuing to devoting great attention to ESG matters.

With regard to ESG topics in particular, I would like to bring to your attention the dedicated chapter contained in this Report (Sustainability at Brembo) that illustrates the ESG initiatives undertaken by Brembo. The Company devoted special attention to ESG initiatives, focusing particularly on the social dimension, with regard to the People aspect, as well as on the Environmental dimension, once again obtaining prestigious recognition from CDP (formerly the Carbon Disclosure Project) as a company with an "A-" rating (on a revised scale compared to previous years that calls for a maximum rating of "A"). With further regard to the People aspect, the constant focus on DE&I (Diversity, Equity

and Inclusion) matters resulted in reinforcement of anti-discrimination policies and the beginning of a process that will lead to Gender Equality Certification. Given Brembo's strong focus on People, in 2023 the Committee was closely involved in two activities: (1) assessment and consequent management of the risks associated with the People area (attraction, retention and management of key competencies); and (2) evaluation of the competitiveness in relation to the external market of the remuneration paid by Brembo to middle managers and white-collars.

Within this context, Brembo has developed a Remuneration Policy designed in substantial continuity with that presented in 2023. The Policy focuses on objectives tied to financial performance, financial solidity, shareholder value creation and sustainability in both the short and the long term. It is based on the principles of aligning the interests of management and stakeholders, meritocracy, attraction and retention of the best professionals, equity, remuneration consistency and monitoring of market best practices.

In the section dedicated to implementing the Remuneration Policy approved in 2023, a thorough analysis is provided of the correlation between performance and short-term variable remuneration only — the 2022-2024 LTI Plan

is still in its vesting phase — and the fixed remuneration paid to Members of the Board of Directors and Board of Statutory Auditors.

I would also like to emphasise that the Report has been prepared on the basis of the feedback given by proxy advisors and institutional investors during their regular engagement meetings with the Company on an annual basis. This approach reflects Brembo's commitment to ensuring ever increasing transparency and responsibility towards its stakeholders.

At the end of the first year of our three-year term of office, I would like to sincerely thank the members of the Remuneration & Appointments Committee, Ms. Elizabeth M. Robinson and Ms. Manuela Soffientini, for their valuable contribution to the activities performed.

Finally, I would like to thank you in advance for the interest that you show each year in our Remuneration Policy. I hope you, as Brembo shareholders, will find the information provided in this document exhaustive and useful for you to continue to provide your positive support during the General Shareholders' Meeting.

Best regards

**The Chairman of the Remuneration
& Appointments Committee**
Giancarlo Dallerà

INTRODUCTION

In 2023, Brembo reported positive financial results that confirmed the Company's solidity. Sales grew by 6% to €3,853.5 million compared to 2022. EBITDA was €635 million, with EBITDA margin at 16.5%, whereas EBIT margin was 10.7%. These figures highlight Brembo's significant profit-generation capability and its financial solidity. This testifies to its ability to generate positive cash flows and reduce its debt, while also forging ahead with its ambitious investment plans.

Brembo's positive financial results stem from the Company's ongoing commitment to pursuing its mission of excellence and innovation within the sector. Brembo continues to invest in research and development, maintaining its forward-looking perspective and anticipating the challenges of the global market. Thanks to the results achieved, the Company is able to allocate significant resources on innovation, supporting numerous R&D projects. In particular, Brembo stands out for the innovation of its product range, which includes cutting-edge mechatronic solutions. This commitment allows Brembo to remain competitive and meet its customers' needs in a constantly evolving market.

Within this context, Brembo's mission is to be an authoritative Solution Provider, adopting an approach of servitisation and dematerialisation. The former term refers to the transformation experienced by leading companies, such as Brembo, that are gradually transitioning from the sale of products to the provision of services related to such products, whereas the latter refers to the adoption of digital solutions. For this purpose, Brembo has developed various processes in which each new product is more ecological and sustainable than its predecessor, integrating artificial intelligence and sustainable technologies into its braking systems. Today, Brembo is looking to the future with the goal of standing alongside its partners in overcoming the challenges posed by the automotive market and the revolutionary new mobility, thus also becoming a trusted benchmark for the generations of tomorrow. In this way, Brembo intends to help shape the unique experience of driving tomorrow's vehicles.

In 2023, Brembo founded Brembo Solutions, the Group's new unit dedicated to providing businesses with digital solutions. This area focuses on various industrial sectors such as fashion, food and iron and steel, offering solutions based on Brembo's direct experience with artificial intelligence applied to the industrial world. By exploiting artificial intelligence, Brembo Solutions offers digital solutions to improve efficiency and innovation. Brembo's "AI-doing" approach — rooted in its vast experience in the challenging sector in which it operates — supports global companies

in leveraging the potential of artificial intelligence and machine learning. This proprietary Brembo approach ensures maximum product quality and process efficiency at all times. Indeed, the use of artificial intelligence also enables improved quality control of production processes, helping create the best operating conditions through an analysis of production data to automatically identify defects and reduce product waste, thus yielding more efficient and effective production processes.

With regard to Brembo's increasingly consolidated path to become a renowned Solution Provider in the software industry, worth of mention is Brembo Inspiration Lab, a centre of excellence based in Silicon Valley. This centre, specialised in data science, artificial intelligence and also software development, is the tangible embodiment of the Vision "Turning energy into inspiration". Brembo Inspiration Lab was inaugurated more than a year ago in the area renowned for technology and innovation with the clear, ambitious goal of supporting Brembo in its mission of becoming a Solution Provider to rise to the unprecedented challenges faced by the automotive industry. The Lab will collaborate with the Transformation and R&D Global Central Functions to develop future programmes and products at the global level and design artificial intelligence applications that enrich the customer experience and improve product performance. In addition, particular attention was devoted to ensuring that the Lab connects with young digital generations to attract talented individuals and inspire them to design the future.

To underscore Brembo's constant commitment to promoting innovation, mention should also be made of the 2023 Brembo Hackathon held at Brembo Inspiration Lab. During the event, participants developed ideas relating to machine learning and artificial intelligence to revolutionise current braking technologies.

A tangible example of Brembo's focus on software, data, artificial intelligence and mechatronics is Sensify™, the "Made in Brembo" revolutionary braking system. Sensify™ is Brembo's evolution that combines the development and production of calipers, discs and friction materials with expertise in software, artificial intelligence and data management. It is an ecosystem designed to interact with all other smart functions, offering an optimal driving experience and maximum safety in which artificial intelligence, software and sensors work together to manage the braking of each wheel independently. Sensify™ is still in its development and industrialisation phase and will be launched in production in 2025. Brembo is actively promoting Sensify™ among the Group's customers and new players in

the electric vehicle market. The system represents an important step forward in the automotive industry, offering highly efficient, personalised braking for maximum safety on the road.

Brembo also remains committed to the digitalisation of internal processes to build an organisation that responds effectively to business challenges, by providing people with the tools they need to face the rapid evolution and digitalisation of the outside world. As part of the Ishango Digital Transformation Programme in which Brembo is involved at the global level, work continued to focus on implementing digital platforms integrated into the existing ecosystem and on the adoption of new ways of working and digital solutions. Among the various initiatives, a new Group ERP was implemented for the management of the main Company processes and a new HCM (Human Capital Management) system was adopted for people management.

Within the aforementioned corporate and business framework, the 2024 Remuneration Policy plays a fundamental role for Brembo as it is an enabling factor for executing the long-term corporate strategy, particularly with a view to ensuring the Company's economic and social sustainability, attracting and retaining key individuals

necessary to create value for all stakeholders (including shareholders, customers, suppliers, and also employees). Retention is an increasing top priority for Brembo, considering the competitive and challenging labour markets that it faces.

The main objective of the Policy is therefore to retain and motivate talent within the Company. To this end, Brembo is committed to guaranteeing a competitive EVP (Employee Value Proposition) by also strengthening its commitment to gender equity, promoting equal opportunities, and ensuring equal and consistent pay. Brembo's remuneration policy rewards long-term strong performance, recognising and valuing the contributions of its People, who stand out for their results and commitment.

Furthermore, the Remuneration Policy is also developed in accordance with the approach of constant stakeholder dialogue. Brembo recognises the importance of interfacing with the remuneration policies' key beneficiaries and with investors in order to adopt the best market practices and receive valuable feedback from various stakeholders. This approach allows Brembo to continuously improve its Remuneration Policy, ensuring its employees a competitive remuneration and meeting its stakeholders' expectations.

1	ENSURING THE SUSTAINABLE GROWTH OF OUR GROUP
	The ability to report economic and financial results that are above the reference market average, despite the persistence of a complex global macroeconomic scenario
2	CREATING VALUE FOR OUR SHAREHOLDERS
	Drawing up a Policy able to ensure the alignment of management's interests with the priority of creating sustainable shareholder value over a medium-long-term horizon
3	BALANCING DECISIONS AGAINST THEIR SOCIAL AND ENVIRONMENTAL IMPACT
	Brembo has always paid particular attention to the development of global policies in the areas of ethics, responsibility, and sustainability, considering these values to be the foundation of the valuable "intangible" heritage formed by its brand, and the set of principles that characterise the way in which a socially responsible Company acts
4	PROMOTING THE GUIDING PRINCIPLES THAT CHARACTERISE THE GROUP
	Ethics, quality, acknowledgement, proactivity and belonging are the five guiding values that make up the wealth of Brembo's shared culture, as well as a benchmark for conducting the Company's business and operations in full respect for all the Group's stakeholders
5	MAKING THE COMPANY ATTRACTIVE ON THE MARKET AND INVESTING IN BREMBO PEOPLE
	Brembo's Remuneration Policy provides for an overall remuneration suited to promoting the attraction and retention of high-profile candidates. This Policy constantly recognises the performances achieved so as to attract new talent and ensure Brembo People's ongoing strong commitment

RECONCILIATION BETWEEN STRATEGY, SUSTAINABILITY AND REMUNERATION POLICY

<p>ENSURING THE SUSTAINABLE GROWTH OF OUR GROUP</p>	<p>The Remuneration Policy for 2024 was drawn up in continuity with the previous years by defining remuneration elements that support the implementation of the Group's strategic guidance through an adequate balance of short- and long-term performance parameters</p>
<p>CREATING VALUE FOR OUR SHAREHOLDERS</p>	<p>The Economic Value Added (EVA) metric in the 2022-2024 LTIP ensures in particular that the interests of our shareholders are aligned to the action of the Group's management</p>
<p>BALANCING DECISIONS AGAINST THEIR SOCIAL AND ENVIRONMENTAL IMPACT</p>	<p>Use of ESG metrics also in short- and long-term incentive systems, through the use of a KPI linked to the Group Carbon Footprint, as a proof of Brembo's medium-to-long term sustainability strategy</p>
<p>PROMOTING THE GUIDING PRINCIPLES THAT CHARACTERISE THE GROUP</p>	<p>Integrity, responsibility and transparency are the drivers adopted in the Group's remuneration systems; these drivers take the form of elements such as an attention to employees, supply chain sustainability and respect for local communities</p>
<p>MAKING THE COMPANY ATTRACTIVE ON THE MARKET AND INVESTING IN BREMBO PEOPLE</p>	<p>The Policy's distinctive elements are designed to attract and retain highly capable management personnel and reward their responsibilities, skills and experience</p>

This Report on the Remuneration Policy and Remuneration Paid is the result of the efforts devoted to providing with a transparent, complete account of the criteria adopted to compensate the Group's personnel and recognise their contribution in the achievement of corporate targets, by ensuring that they have the tools needed for a thorough assessment of the Company and for the informed exercise of their rights.

In addition, Brembo has always complied with applicable laws, regulations and recommendations of the Corporate Governance Code for Listed Companies (the Remuneration Policies for 2024 are consistent and compliant with the provisions of Article 5 – "Remuneration" of the Corporate Governance Code – 2020 edition) that the Company has adopted endorsing it into its own Corporate Governance Code (Brembo Corporate Governance Code), as well as into the Regulations of the Board of Directors and of the Board Committees.

Moreover, following Brembo's Cross-Border Conversion and the ensuing transfer of its registered office in The Netherlands, the current Remuneration Policy complies also with the Dutch Civil Code and Corporate Governance Code.

In particular, the Report on the Remuneration Policy and Remuneration Paid is structured as follows:

- **SECTION I:** this section refers to the members of the Governing Bodies, General Managers and Key Management Personnel and contains information about the principles and guidelines according to which Brembo S.p.A. sets its Remuneration Policy, in addition to information about the procedures used to adopt and implement that Policy. This section describes in a clear, transparent and intelligible way, the general principles and purposes pursued, information regarding the governance of the process aimed at defining the Remuneration Policy with details of the main Bodies and Parties involved, as well as information on the purposes, tools and recipients of the said Policy.

Section I of the Report on the Remuneration Policy and Remuneration Paid, in accordance with the provisions of Italian Legislative Decree No. 49 of 10 May 2019, is subject to the binding vote of the Ordinary Shareholders' Meeting, called to approve the 2023 Financial Statements;

- **SECTION II:** it is organised into two parts and audited, in accordance with the provisions of Legislative Decree No. 49 of 10 May 2019, by the firm Deloitte & Touche S.p.A. appointed to perform the audit. The first of these

contains an illustration of each of the components of remuneration paid to the members of the Board of Directors, the members of the Board of Statutory Auditors and Key Management Personnel in 2023, in accordance with the Remuneration Policy adopted for that year. The second provides a detailed account of the compensation paid during the reporting year, in any capacity and form, by the Company and its subsidiaries and associates, using the tables annexed to the Report, which are an integral part thereof.

Section II of the Report on the Remuneration Policy and Remuneration Paid, in accordance with the provisions of Legislative Decree No. 49 of 10 May 2019, is subject to the advisory vote of the Ordinary Shareholders' Meeting, called to approve the 2023 Financial Statements.

The two Sections are supplemented with additional context-related information to enable the market and Investors to read the remuneration information contained in the Report together with the Group's strategic guidance and sustainability, with a view to understanding the main

drivers that allow Brembo S.p.A.'s Remuneration Policy to contribute more fully to the pursuit of long-term value creation for all its stakeholders.

The Report's contents have been defined in compliance with Annex 3A, Table 7-*bis*, of the Issuers' Regulation introduced by Consob Resolution No. 18049 of 23 December 2011, as subsequently amended by Consob Resolution No. 21623 of 10 December 2020.

This Report on the Remuneration Policy and Remuneration Paid, pursuant to Article 123-*ter* of TUF (Article introduced into Legislative Decree No. 58/1998 through Legislative Decree No. 259/2010, as amended by Legislative Decree No. 49/2019), applies to financial year 2023 and was approved by the Board of Directors, on the proposal of the Remuneration & Appointments Committee, during the meeting held on 5 March 2024 and has been made available to the public at Brembo's registered offices and on the Company's website (<https://www.brembo.com/en/company/corporate-governance/remuneration-policies>).

SUSTAINABILITY AT BREMBO

Brembo is strongly committed to comprehensive ESG initiatives, with a particular focus on people, according to a concrete, action-oriented approach. In the People area, the Human Resources & Organisation GCF and the Risk Management area conduct an assessment of the actual and potential risks that the Company faces in people management. The main risks identified are:

- the increasing complexity in managing attraction and retention processes due to highly competitive labour markets (in many contexts in which Brembo operates);
- the management of Brembo's key competencies with a view to digitalisation and mobility processes.

To mitigate these risks, Brembo has defined action plans that generate effects in two main directions, externally and internally.

The priority activities targeting the external labour market include:

- constant updating of the employer branding strategies, adopting an increasingly global approach;
- continuous expansion of communication channels involving all players of the education, university, and research system;
- continuous improvement of selection and recruitment processes.

Internally, Brembo has:

- maintained and advanced widespread training and development programs;
- monitored people's engagement level, defining action plans to improve the Company's work environment;
- developed remuneration policies aimed at rewarding top performance.

As regard People, it is also important to highlight that Brembo places great importance on gender equity and diversity — and on DE&I (Diversity, Equity, and Inclusion) matters in general — by adopting policies and implementing activities to ensure internal pay equity. The Company promotes merit-based growth and development opportunities, regardless of personal conditions. Furthermore, Brembo S.p.A. is undertaking a path to obtain UNI/PdR 125:2022 Gender Equality Certification by the end of 2024. The Company is committed to updating its HR policies and procedures (including Training and Development Offer Management, Policy on Non Discrimination & Diversity) and to defining and implementing a detailed and structured strategic plan.

Brembo stands out for its practical approach to ESG matters, a tangible example of which is the "Put your face on it" initiative. This initiative was launched within the "We Support SDGs" project, based on the guidelines of the SDG

Compass, a guide for companies dedicated to implementing the UN's 2030 Agenda. This project aims at furthering the understanding, awareness and dissemination of SDGs, in addition to assessing the ways in which Brembo can contribute to help achieve them. Besides calling on people and stakeholders to support and promote the SDGs, "We Support SDGs" intends also to disseminate and share the best practices that Brembo colleagues already personally adopt every day, both at work and in their private lives. The "Put your face on it" initiative stems precisely from the desire to share these experiences and tangible actions: through their own stories, Brembo People become ambassadors for sustainable action. The goal is to emphasise that sustainability is a shared responsibility that can be achieved also through simple, yet meaningful gestures.

In addition, in the Environment area Brembo is actively committed to environmental sustainability. In 2023, the Company was recognised by CDP (formerly the Carbon Disclosure Project) as a global leader for its action on climate change and water resource management (obtaining, on a revised scale with a minimum score of "D" and a maximum score of "A", an "A-" level in both categories). This recognition

is assigned to companies that stand out for their transparency and performances in the area of climate change and water security. Brembo's commitment translates to sustainable practices, promotion of innovation and constant dialogue with local communities. The Company firmly believes that environmental, social and governance matters are fundamental to the growth not only of the Group, but also of the entire economy.

Another addition to the ESG area (Governance) is the new Stakeholder Engagement Policy adopted by Brembo. In line with the Dutch Corporate Governance Code's approach, which Brembo is gradually embracing, this Policy is directed towards all of the Company's stakeholders (customers, suppliers, investors, end users, Brembo employees, local communities, institutions, future generations, industry companies and competitors, insurance companies and trade associations). Its goal is to provide a general framework for dialogue between Brembo and its stakeholders, with a particular focus on the sustainability of the company strategy and its implementation. In addition, Brembo has developed a policy of bilateral dialogue with shareholders, investors and analysts designed to facilitate open, constructive exchanges.

EXECUTIVE SUMMARY

A summary of the Group's Remuneration Policy for 2024 is given in following table:

ELEMENTS OF REMUNERATION	SCOPE AND CONDITIONS	CRITERIA AND PARAMETERS	QUANTITATIVE REFERENCES FOR EXECUTIVE DIRECTORS ¹
Fixed Remuneration	Developing the responsibility, expertise and contribution required by the role	Fixed remuneration is set on the basis of the powers granted and role assigned, considering applicable cases on the market for comparable roles and the impact on company results	<ul style="list-style-type: none"> Executive Chairman (EC): €1,300,000 Chief Executive Officer (CEO): €1,300,000 ² Chief CSR Officer: €256,678 ³ Chief Public Affairs and Institutional Relations Officer: €350,000 ⁴
Annual Incentive System (MBO)	Assessing and engaging on the achievement of the Group's annual objectives and short-term challenges	Evaluation metrics: <ul style="list-style-type: none"> Group EBITDA, Group EBIT, Group Net Sales, Group ROI, Group Sustainability Index Performance period: <ul style="list-style-type: none"> annual, in compliance with the budget objectives Payment method: cash Clawback clauses may be applied	Bonus target: <ul style="list-style-type: none"> EC: 75% of fixed remuneration CEO: 75% of fixed remuneration Chief CSR Officer: 40% of fixed remuneration Chief Public Affairs and Institutional Relations Officer: 40% of fixed remuneration Bonus cap: <ul style="list-style-type: none"> EC: 100% of fixed remuneration CEO: 100% of fixed remuneration Chief CSR Officer: 60% of fixed remuneration Chief Public Affairs and Institutional Relations Officer: 60% of fixed remuneration
Long-Term Incentive Plan (LTIP)	Promoting the creation of value for shareholders and the Group's sustainability in the long term	Evaluation metrics: <ul style="list-style-type: none"> Group Economic Value Added (EVA), Group Free Operating Cash Flow, Group NFP/EBITDA, Group Sustainability Index Vesting period: <ul style="list-style-type: none"> three-year period 2022-2024 (Closed Plan) Payment method: cash Clawback clauses may be applied	Annual bonus target: <ul style="list-style-type: none"> EC: 100% of fixed remuneration CEO: 100% of fixed remuneration Chief CSR Officer: 50% of fixed remuneration Chief Public Affairs and Institutional Relations Officer: 50% of fixed remuneration Annual bonus cap: <ul style="list-style-type: none"> EC: 150% of fixed remuneration CEO: 150% of fixed remuneration Chief CSR Officer: 75% of fixed remuneration Chief Public Affairs and Institutional Relations Officer: 75% of fixed remuneration
Non-monetary benefits	Complementing economic benefits with components primarily of a social security and pension nature	Primarily social security and insurance benefits, in line with the standards established by the National Collective Labour Contract standard (for industrial executives)	<ul style="list-style-type: none"> Supplementary pension schemes Health insurance Insurance policy Allocation of a car for business and personal use
Severance indemnity	Protecting the Group against potential litigation and/or competition risks	Severance indemnity from the position of CEO and termination of employment – Cases: <ul style="list-style-type: none"> Removal or non-renewal without just cause Resignation from the office and waiver of the delegated powers due to such a serious reason as to make a continuation impossible Resignation from the office and waiver of the delegated powers due to a change of control that has resulted in a substantial change in the position and/or powers Consideration for non-competition agreement with the CEO: paid during employment with the Company With regard to Executive Directors, the provisions of the National Collective Labour Contract for industrial executives apply	CEO's severance indemnity: a lump-sum one-off indemnity equal to 18 months of an amount corresponding to the sum of the fixed emolument for the office, the non-competition agreement payment and the maximum amount payable by way of short-term variable component (MBO) CEO's non-competition agreement: the amount of €200,000 is included in the total fixed remuneration (Total Fixed Remuneration: €1,300,000)
Pension	Providing pension coverage	CEO's pension: individual supplementary pension scheme With regard to Executive Directors, the provisions of the National Collective Labour Contract for industrial executives apply	CEO's pension: total annual gross amount of €295,100 borne by the Company

¹ "Executive Directors" include also Directors who qualify as Key Management Personnel (Executive Chairman; CEO).

² The fixed compensation assigned to the Chief Executive Officer consists of special compensation of €1,100,000 for the position pursuant to Article 2389, paragraph 3, of the Italian Civil Code, and the consideration paid during his employment for the non-competition agreement of €200,000. This compensation is also in addition to an annual housing allowance of €100,000 and an annual Strategic Yearly Bonus of €500,000 for retention purposes.

³ Amount inclusive of an emolument of €60,000 and a compensation of €15,000 for responsibility for the Internal Control and Risk Management System.

⁴ Amount inclusive of an emolument of €60,000.

SECTION I

The main objective of the Group's Remuneration Policy is to ensure the active engagement of Directors, particularly Directors with executive powers, and of Management, by favouring the alignment of their individual interests with those of stakeholders from a long-term perspective. The goal remains to support growth and create value over time through a constant assessment of individual and company

performance, with the aim of contributing to keeping profitability and productivity levels high for the entire Group. In addition, Brembo has always paid particular attention to designing its Policies so that they are in line with the corporate values and business strategies and are, at the same time, able to ensure a competitive position in respect of the reference market and fairness for all its employees.

1. INFORMATION ON THE PROCEDURES APPLIED FOR THE ADOPTION AND IMPLEMENTATION OF THE REMUNERATION POLICY

1.1 SCOPE AND RECIPIENTS

As in previous years, the Remuneration Policy continues to be in line with corporate values and consistent with regulations and stakeholders' expectations, and has the dual objective to:

- define a remuneration system based on ethics, quality, proactivity, belonging and enhancement, and able to both attract and retain human resources who, thanks to their talent and excellent professional skills, can successfully manage and operate within the Company;
- adopt incentive schemes designed to orient the resources' behaviour towards the fulfilment of strategic business objectives, hence creating value in the long term and fostering the alignment of management's interests and shareholders' expectations, while motivating those resources to achieve increasingly challenging performan-

ce targets with a view to a continuous improvement.

To facilitate this alignment, the Policy envisages that part of management's remuneration be linked to the achievement of performance objectives — which are set and established in advance — through a Management by Objectives (MBO) Annual Incentive Plan and a Long-Term Incentive Plan (LTIP).

The Policy is defined through a formalised process (see section 1.6) involving the Remuneration & Appointments Committee, the Board of Directors, Executive Directors, the Human Resources & Organisation Global Central Function, the General Shareholders' Meeting and the Board of Statutory Auditors.

In detail, areas of responsibility are described in the following pages.

REMUNERATION & APPOINTMENTS COMMITTEE

Pursuant to the provisions set forth in the Corporate Governance Code (2020 edition), which Brembo S.p.A. fully complies with, in February 2001 the Company's Board of Directors established the Remuneration Committee, which later became the Remuneration & Appointments Committee, made up of non-executive, independent Directors and chaired by an Independent Director. The Board of Directors also defined its tasks and powers. The Committee's composition, meetings, objectives, tasks and activities illustrated hereunder are fully compliant with the recommendations of the 2020 version of the Corporate Governance Code.

Pursuant to Article 2389, paragraph 3, of the Italian Civil Code, the Remuneration & Appointments Committee is vested solely with recommendatory functions. The power

to determine the remuneration of Directors holding special offices is in any event entrusted to the Board of Directors, in concert with the Board of Statutory Auditors and in compliance with the overall remuneration established by the General Shareholders' Meeting.

The current Committee, appointed during the Shareholders' Meeting held on 20 April 2023, will remain in office until 31 December 2025.

The Chairman of the Board of Statutory Auditors, F. R. Di Giusto, is permanently invited to participate in all the meetings of the Remuneration & Appointments Committee. The other Acting Auditors may also be invited to participate.

COMPOSITION AND MEETINGS



Giancarlo Dallera
Chairman, Non-Executive and Independent Director
Committee member with appropriate financial expertise and experience.

Elizabeth M. Robinson
Non-Executive and Independent Director

Manuela Soffientini
Non-Executive and Independent Director
This Director also holds the position of Lead Independent Director.

In 2023, the Committee met three times. As of the date of approval of this Report, it has held a further meeting to evaluate the closing results of the short-term annual Incentive Plan (2023 MBO) and define the proposals of the short-term annual Incentive Plan (2024 MBO), also in light of the analyses conducted in 2023.

OBJECTIVES

With reference to Remuneration: ensuring that the remuneration policies applicable to the Executive Chairman, the Chief Executive Officer, the Executive Directors, the Directors holding special offices and Key Management Personnel, as well as the Non-executive Directors, are formulated by a Body in the absence of conflicts of interest.

With reference to Appointments: identifying the optimal composition of the Board, in terms of the combination of skills, by indicating the professional roles that may promote its proper and effective functioning and contributing to the preparation of the succession plan for Executive Directors.

RESPONSIBILITY AREAS

Periodically assessing, as indicated by the Chairman of the Board of Directors, the adequacy, overall consistency and practical application of the Remuneration Policy for Directors and Key Management Personnel (including any possible stock option or stock granting plans, three-year incentive plans, etc.). With regard to the latter, it draws on the information provided by the Directors responsible for this task.

Submitting proposals or expressing opinions to the Board of Directors regarding the remuneration of Executive Directors and other Directors holding special offices, and the performance objectives associated with the variable component of such remuneration.

Monitoring the implementation of decisions adopted by the Board of Directors by verifying, specifically, the actual achievement of performance objectives.

Formulating motions to the Board of Directors regarding the Report on Remuneration Policy and Remuneration Paid that the Directors are required to submit to the General Shareholders' Meeting to illustrate the remuneration policy for Directors and Key Management Personnel.

Performing all additional tasks that, from time to time, it may be assigned by the Board of Directors, as well as examining all issues that the Executive Chairman and the Chief Executive Officer deemed appropriate to submit to the Committee for the aspects falling within its remit.

Reporting to shareholders regarding the way in which its duties are discharged.

With reference to Appointments: formulating opinions and recommendations for the Board of Directors in regards to its size and composition, the presence of specific professional figures, the number of other positions deemed compatible with the role held within Brembo, the exceptions to the non-competition agreement, the cases of co-option, and the succession plans.

RECIPIENT	DECISION-MAKING BODY	PROPOSING BODY	TECHNICAL BODY	ADVISORS, IF ANY
Chief Executive Officer				
Executive Directors	GSM, BoD	Remuneration & Appointments Committee	Human Resources & Organisation GCF	Mercer
Key Management Personnel				Willis Towers Watson
Non-executive Directors				
Board of Statutory Auditors	GSM	Shareholders	Administration & Finance GCF	

1.2 REMUNERATION & APPOINTMENTS COMMITTEE

In 2023, the activity of the Remuneration & Appointments Committee focused mainly on:

- i) assessment of the final results of the short-term Incentive Plans (2022 MBO) and definition of the proposals for the short-term annual Incentive Plan (2023 MBO);
- ii) proposal to review the remuneration packages for the Executive Chairman and the CEO, also following the benchmark analysis of the Top Management remuneration packages;
- iii) proposal to change the pay-out cap relating to Category 1 of the 2022-2024 LTIP;
- iv) annual verification of the votes cast by the 2023 Shareholders' Meeting regarding the Report on the Remuneration Policy and Remuneration Paid.

Moreover, in view of the appointment of the new corporate bodies by the General Shareholders' Meeting called on 20 April 2023, it assessed the proposals for the Board of Directors relating to:

- a) total remuneration (for each year of the term of office)

of the Board of Directors and the Board Committees of Brembo S.p.A. and allocation thereof;

- b) total remuneration of the Board of Statutory Auditors of Brembo S.p.A. based on the opinion expressed by the outgoing control body.

In detail, the Remuneration & Appointments Committee met three times in 2023 and the average length of the meetings was approximately 1 hour and 30 minutes.

The following is the activity calendar of the Remuneration & Appointments Committee, in particular with regard to the matters discussed within the framework of meetings. For further information concerning the Remuneration & Appointments Committee's activities in 2023, the Committee's functioning and its specific activities in respect of Appointments, reference should be made to paragraph 8.2 of the Corporate Governance and Ownership Structure Report 2023, published⁵ concurrently with this Report.

⁵ <https://www.brembo.com/en/company/corporate-governance/corporate-governance-reports>.

2023

MEETING OF 15 FEBRUARY**with reference to Remuneration, the Remuneration & Appointments Committee assessed and examined:**

- a) the closing results of the short-term annual Incentive Plan (2022 MBO) and defined the proposals of the short-term annual Incentive Plan (2023 MBO), also in light of the analyses conducted in 2022;
- b) the proposal to review the Remuneration Packages for the Executive Chairman and the CEO, also following an additional benchmark analysis submitted by Mercer Italia;
- c) the proposal to change the pay-out cap relating to Category 1 of the 2022-2024 LTIP;
- d) the Report on the Remuneration Policy for 2023 and Remuneration Paid in 2022, prepared pursuant to Article 123-ter of TUF and expressed a favourable opinion in view of its examination and approval by the BoD;
- e) in addition, in view of the appointment of the new company boards at the 2023 General Shareholders' Meeting, it assessed the following proposals for the Board of Directors relating to: total remuneration (for each year of the term of office) of the governing body and the Board Committees of Brembo S.p.A. and allocation thereof; total remuneration of the Board of Statutory Auditors of Brembo S.p.A. based on the opinion expressed by the outgoing control body.

with reference to the composition of the Board of Directors and the combination of skills and professional backgrounds:

- a) it assessed the individual statements of the Directors, Statutory Auditors and members of the Supervisory Committee to periodically verify — including to support the BoD's self-assessment process — the ongoing satisfaction of the requirements and implementation of the Diversity Criteria provided for by the Regulations of the BoD and Brembo CGC for Directors, as well as the compatibility of the positions held by them;
- b) it assessed the combination of professional profiles and managerial skills in light of Brembo's diversity policies defined by the Regulations of the BoD and the Brembo CGC;
- c) it assessed the individual statements of the Directors, Statutory Auditors and members of the Supervisory Committee to periodically verify ongoing satisfaction of the requirements set for the different positions in the applicable laws and regulations in force, as well as in the Brembo CGC;
- d) it assessed the combination of professional profiles and managerial skills in light of Brembo's diversity policies pursuant to Article 123-bis, paragraph 2(d-bis), of TUF defined by the Regulations of the BoD and the Brembo CGC;
- e) in view of the appointment of the new company boards, it defined guidelines on the optimal qualitative and quantitative composition of the Board, also taking account of the outcome of the 2022 BPE.

MEETING OF 18 JULY**with reference to Remuneration:**

- a) it examined the results of the votes cast by the Shareholders' Meeting with regard to Section I and Section II of the Brembo Group's Report on the Remuneration Policy for 2023 and Remuneration Paid in 2022 pursuant to Article 123-ter of TUF;
- b) it was updated on the performance of the Group's Remuneration Policies;
- c) it shared preliminary considerations regarding any impacts on the Remuneration & Appointments Committee and the Remuneration Report pursuant to Dutch law and the related Corporate Governance Code.

MEETING OF 23 NOVEMBER**with reference to Appointments:**

- a) it was updated on the Gender Equality Certification (for the purposes of the NRRP);
- b) it acknowledged the HR-related impacts of the Cross-Border Conversion Transaction. Disclosure.

1.3 BOARD OF DIRECTORS


The Board of Directors currently in office was appointed at the General Shareholders' Meeting called to approve the 2022 Financial Statements (20 April 2023) and is made up of 11 Directors.

On 17 December 2021, the extraordinary Shareholders' Meeting approved the new corporate governance structure of Brembo S.p.A.: Matteo Tiraboschi was appointed Executive Chairman, Alberto Bombassei was appointed Chairman Emeritus, whereas Daniele Schillaci was con-

firmed as the Company's CEO.

Its composition and functions, as described below, fully comply with the recommendations of the 2020 Corporate Governance Code, which Brembo adopted in 2021.

The current Board of Directors will remain in office for the three-year period 2023-2025, i.e., until the Shareholders' Meeting called to approve the Financial Statements for the year ending 31 December 2025.

COMPOSITION	RESPONSIBILITY AREAS
	<p>Within the framework of the remuneration policies adopted, establishing the remuneration for Directors holding special offices in concert with the Board of Statutory Auditors and the Remuneration & Appointments Committee. Such remuneration is established in accordance with the resolutions of the General Shareholders' Meeting, which determines the overall remuneration for all Directors.</p>
<p>Matteo Tiraboschi ^{(c)(*)} – Executive Chairman</p>	<p>Examining and approving the strategic, operational and financial plans of the issuer and the Group it heads, periodically monitoring the implementation thereof.</p>
<p>Daniele Schillaci ^{(c)(**)} – Chief Executive Officer (CEO)</p>	
<p>Cristina Bombassei ^(c)</p>	<p>Defining the Company's corporate governance system (without prejudice to the powers entrusted to the General Shareholders' Meeting) and the Group's structure.</p>
<p>Giancarlo Dallera ^(a)</p>	
<p>Elisabetta Magistretti ^(a)</p>	<p>Defining the nature and level of risk compatible with the Company's strategic objectives.</p>
<p>Umberto Nicodano ^(b)</p>	
<p>Elizabeth Marie Robinson ^(a)</p>	<p>Assessing the adequacy of the organisational, administrative and accounting structure of the issuer and its subsidiaries having strategic relevance, especially with reference to the internal control and risk management system.</p>
<p>Gianfelice Rocca ^(a)</p>	
<p>Michela Schizzi ^{(a)(***)}</p>	<p>Assessing the general performance of operations, taking into particular account the information received from the Delegated Bodies, and periodically comparing the results achieved with those planned.</p>
<p>Manuela Soffientini ^{(a)(****)}</p>	
<p>Roberto Vavassori ^(c)</p>	<p>Resolving upon the transactions carried out by the Company and its subsidiaries, should these transactions have a significant strategic, operating, capital and/or financial impact for the issuer. To this end, the Board establishes general criteria to identify highly significant transactions.</p>
	<p>Performing at least annually an evaluation of the performance of the Board of Directors and its Committees, as well as their size and composition, taking also into account aspects such as the professional expertise, experience (including managerial experience), gender and seniority of service of their members.</p>
	<p>In light of the assessment mentioned in the previous point, expressing its opinion before the appointment of the new Board, so as to inform shareholders on professionals whose presence in the Board is deemed appropriate.</p>
<p>(a) Non-Executive and Independent Directors.</p>	<p>(**) The Chief Executive Officer is vested by the Board of Directors with special powers to manage the Company, as well as powers, pursuant to Article 2381 of the Italian Civil Code, with reference to occupational health and safety (as per Legislative Decree No. 81/2008, as amended by Legislative Decree No. 106/2009), environmental protection and waste management.</p>
<p>(b) Non-Executive Directors.</p>	<p>(***) Director elected from a minority list.</p>
<p>(c) Executive Directors.</p>	<p>(****) This Director also holds the position of Lead Independent Director.</p>
<p>(*) The Executive Chairman, appointed by the General Shareholders' Meeting on 20 April 2023, is the Company's legal representative and has powers of ordinary management, within the limits of the law.</p>	

1.4 GENERAL SHAREHOLDERS' MEETING

The role of the General Shareholders' Meeting pursuant to the By-laws, insofar as matters related to this Report, is to:

- appoint and remove the members of the Board of Directors, appoint the Board of Statutory Auditors and its Chairman and, if present, its Deputy Chairman;
- establish the overall remuneration for the Board of Directors and the Board of Statutory Auditors;
- express a binding vote on Section I of the Report on the Remuneration Policy and Remuneration Paid (Remuneration Policy);
- express an advisory vote on Section II of the Report on the Remuneration Policy and Remuneration Paid (Implementation of the previous year's Remuneration Policy).

1.5 POSSIBLE ATTENDANCE OF INDEPENDENT EXPERTS

Brembo also establishes its policies and verifies its remuneration structure based on the analyses conducted with the support of consultants on market benchmarks, consisting of a group of companies operating in the same industry that are deemed comparable in terms of both size, business activity and governance. In addition, Brembo monitors trends and best practices on the Italian and global market.

Remuneration Policy guidelines are prepared and the Policies implemented are assessed in light of the context in which the Group operates: since Brembo does not have many closely comparable peer companies from a business standpoint at the domestic level, various European companies — comparable to Brembo as they operate in the same industry — have been considered in order to have a vision of both the labour market and business practices:

BENCHMARK COMPANIES	COMPANIES
Comparable European Industry companies (12 companies)	Autoneum Holding, Autoliv, Continental, ElringKlinger, Faurecia, Leoni, Michelin, Nokian, SKF, Sogefi, TomTom, Valeo
Italian companies (23 companies)	A2A, Amplifon, Campari, Diasorin, Enel, Eni, Ferrari, Hera, Interpump Group, Inwit, Italgas, Leonardo, Mai-re Tecnimont, Moncler, Nexi, Pirelli, Prysmian, Recordati, Saipem, Snam, Telecom Italia, Tenaris, Terna

Mercer and Willis Towers Watson advised Brembo by providing methodological support and market benchmarks on

compensation and executive compensation.

1.6 PROCESS FOR THE POLICY DEFINITION AND APPROVAL

The Remuneration & Appointments Committee submits the motion on the Remuneration Policy to the Board of Directors for approval. The Human Resources & Organisation Global Central Function supports the Remuneration & Appointments Committee in drafting the Report in order to collect market information about practices, policies and benchmarks to help improve the preparation of the Policy. If needed, relevant independent experts are also involved in the process.

Upon proposal from the Remuneration & Appointments Committee, which in turn can ask for the support of the Human Resources & Organisation Global Central Function, the Board of Directors prepares and adopts the Remuneration Policy, defining its internal structure and regulatory sources. It specifically determines the contents of the paragraphs regarding the remuneration policy for members of the Board of Directors (paragraph 2.2), the members of the Board of Statutory Auditors (paragraph 2.3), and the Group's incentive plans (paragraph 2.4). Pursuant to the By-laws, as concerns the Remuneration Policy for Executive Directors, the Board of Directors takes into account not only the proposals from the Remuneration & Appointments Committee, but also the opinion of the Board of Statutory Auditors. Once the Board of Directors has examined and approved the Remuneration Policy, the latter is submitted to the General Shareholders' Meeting and is made available by publishing the Report on the Remuneration Policy and Remuneration Paid at least 21 days prior to the date on which the General Shareholders' Meeting is convened.

This complete Report on the Remuneration Policy and Remuneration Paid, and specifically Section II, was previously examined by the Remuneration & Appointments Committee on 23 February 2024 and subsequently approved by the Board of Directors on 5 March 2024.

In accordance with the provisions of Legislative Decree No. 49 of 10 May 2019 and of the new Article 123-ter of the Consolidated Law on Finance, Brembo has adopted a process for the temporary exemption from its Remuneration Policy, in the event of exceptional circumstances, where such an exemption is required in order to pursue the Group's long-term interests and sustainability as a whole, or to ensure its ability to remain on the market.

To this end, the cases identified by the Remuneration Policy as exceptional circumstances include, but are not limited to:

- the need to replace, due to unforeseen events, a person in a strategically relevant role for the Group and to negotiate a remuneration package in short order, where the constraints imposed in the improved Policy could limit the ability to attract managers with the professional skills best suited to achieving the Group's objectives;
- the occurrence of significant changes in the scope of business activity while the Policy is in effect, for example the acquisition of a significant business not included within the Policy, the impact of which was not foreseeable on an ex-ante basis;
- an option to pay entry or retention bonuses in order to foster the acquisition and retention of resources possessing specific expertise and top-level professional skills considered necessary to achieve the Group's strategic objectives.

The Remuneration & Appointments Committee, supported by the Human Resources & Organisation Global Central Function, is the body tasked with verifying whether such exceptional situations exist and formulating the proposals for temporary exemption from the Remuneration Policy to the Board of Directors, which has been identified as the body delegated to approve such temporary exemption. As provided for in the Related Party Transaction Procedure of Brembo S.p.A., this process also requires the contribution of the Audit, Risks & Sustainability Committee — which also acts as Related Party Transactions Committee — in case of amendments concerning the remuneration of Directors, Statutory Auditors and Executive Directors⁶. It should be noted that all interested parties refrain from participating in board discussion and resolutions relating to their remuneration.

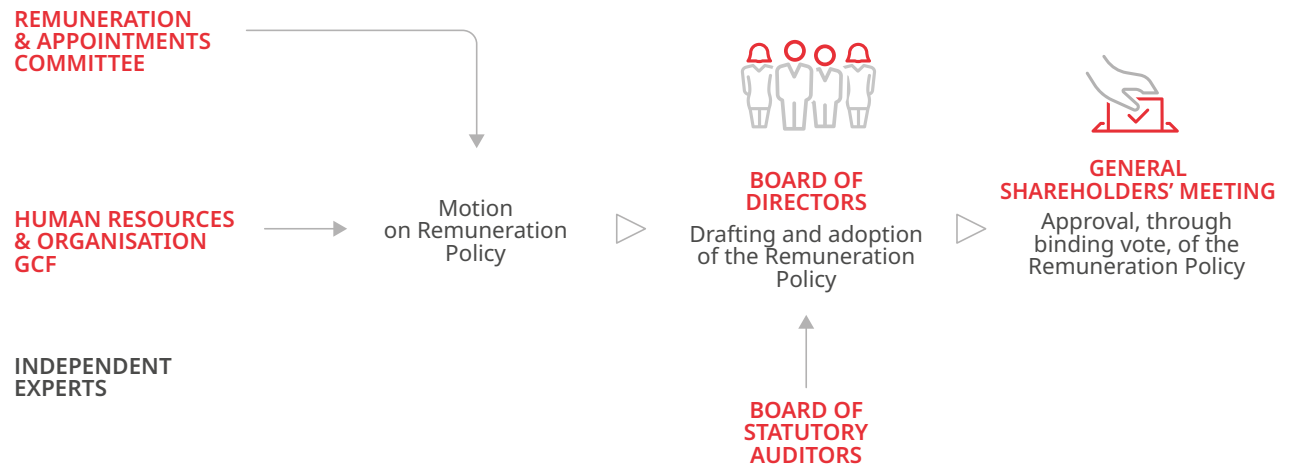
Any exemptions, which may concern one or more Remuneration Policy elements described in this Report, will be disclosed in the subsequent Report on the Remuneration Policy and Remuneration Paid, together with the reasons that led the Company to avail itself of such an exemption.

The elements of Brembo's Remuneration Policy for 2024 that, in case of exceptional circumstances, may be subject

⁶ On 12 November 2010, Brembo adopted a Related Party Transaction Procedure that, as required, is up-dated and approved in accordance with applicable statutory and regulatory provisions in force..

to exemption, without prejudice to the provisions of Regulation No. 17221 of 12 March 2010, are:

- fixed remuneration;
- short-term variable incentive (MBO);
- long-term variable incentive (LTIP);
- benefits;
- severance indemnity.



The Related Party Transaction Procedure⁷ does not apply to the decisions of the General Shareholders' Meeting pursuant to Article 2389, paragraph 1, of the Italian Civil Code concerning the remuneration for members of the Board of Directors and the Executive Committee (if appointed), decisions concerning remuneration for Executive Directors that fall within the scope of the total amount set in advance by the General Shareholders' Meeting in accordance with Article 2389, paragraph 3, of the Italian Civil Code, and the

decisions adopted by the General Shareholders' Meeting pursuant to Article 2402 of the Italian Civil Code concerning Statutory Auditors' remuneration. Moreover, the Related Party Transaction Procedure also does not apply to decisions on share-based remuneration plans approved by the General Shareholders' Meeting of Brembo S.p.A. pursuant to Article 114-bis of TUF and the related implementation measures.

⁷ Brembo S.p.A.'s Related Party Transaction Procedure, updated in accordance with the amendments introduced by Consob to the Issuers' Regulation and the Regulation on Related Party Transactions on 10 December 2020, is available on Brembo's website (www.brembo.com, section Company, Corporate Governance, Governance Documents).

2. DETAILS OF THE COMPANY'S REMUNERATION POLICY

2.1 CONTENTS OF THE POLICY

The Board of Directors has defined a Remuneration Policy for Executive Directors (Article 5, paragraph 27, of the Corporate Governance Code), taking into account market practices, especially those adopted by Italian companies with reference to executive compensation.

In order to enhance its market competitiveness and staff retention capability, the Company is committed to aligning its executive compensation practices by comparing its position with those of companies that are similar in terms of value creation.

In drafting the 2024 Remuneration Policy, processes were identified that allowed to take into account the employees' working conditions as well. Many of the remuneration elements applicable to executive members of the Board of Directors also apply to other categories of Brembo employees (e.g., individual remuneration, incentive and profit sharing systems, non-monetary benefits) according to the roles covered and related responsibilities.

The 2024 Remuneration Policy envisages no changes compared to that approved by the Shareholders' Meeting on 27 April 2023:

Fixed remuneration remains unchanged for all members of the Board of Directors;

The short-term variable incentive retains the architecture of its objectives and operating mechanism, as already approved for 2023. The incentive levels granted to the Policy's beneficiaries (Executive Directors of the Board of Directors) also remain unchanged.

The long-term variable incentive is still in its vesting phase, since it is a Plan that envisages a single payment of the bonus for the entire duration of the Plan (2022-2024) and that will eventually reach its maturity at the end of 2024.

ARTICLE 5, PARAGRAPH 27, OF THE CORPORATE GOVERNANCE CODE

In drawing up the Policy, the Board of Directors has taken into account the following principles and criteria (Article 5, paragraph 27, of the Corporate Governance Code) stating that the remuneration policy for executive directors and the top management defines:

- a balance between the fixed and the variable component which is consistent with the Company's strategic objectives and risk management policy. Consistency is assessed taking into consideration the business's characteristics and the industry of the Company. The variable component has in any case a significant weight on the overall remuneration;
 - caps to the variable components;
 - performance objectives, to which is linked the payment of the variable components, that are predetermined, measurable and predominantly linked to the long-term horizon. They are consistent with the Company's strategic objectives and with the aim of promoting its sustainable success and includes non-financial parameters, where relevant;
 - an adequate deferral of a significant part of the variable component that has been already accrued. Such a deferral period is consistent with the Company's business activity and its risk profile;
 - contractual provisions that enable the Company to recover and/or withhold, in whole or in part, the variable components already paid-out or due, where they were based on data which subsequently proved to be manifestly misstated. The Company can identify other circumstances in which such provisions are applied;
 - clear and predetermined rules for possible termination payments, establishing a cap to the total amount that might be paid out. The cap is linked to a certain amount or a certain number of years of remuneration. No indemnity is paid out if the termination of the office is motivated by objectively inadequate results.
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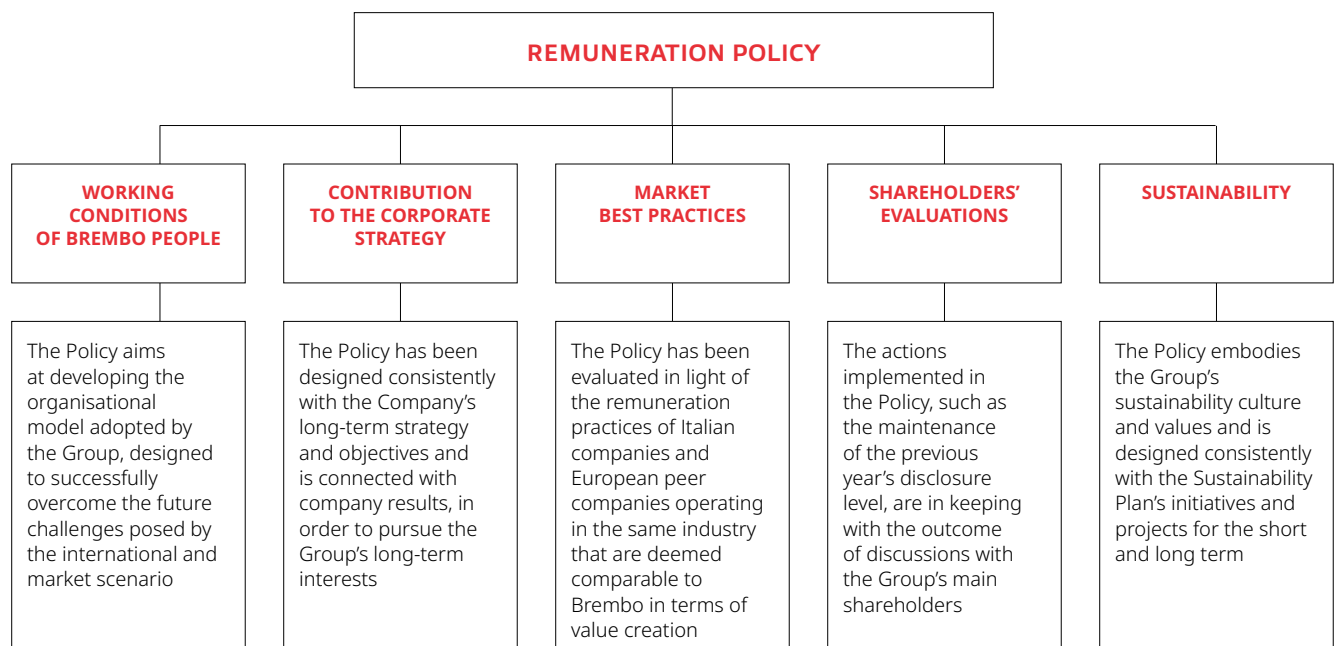
The information provided below indicates the main features of the Remuneration Policy, in terms of elements of the remuneration package and their definition, for the following groups:

- Directors not holding special offices;
- Executive Directors;
- Members of the Board of Statutory Auditors.

The Remuneration Policy for the various groups of indivi-

duals has been drafted in continuity with the past, since it was deemed to be in line with the corporate values and consistent with regulatory provisions and the expectations of the Company's stakeholders.

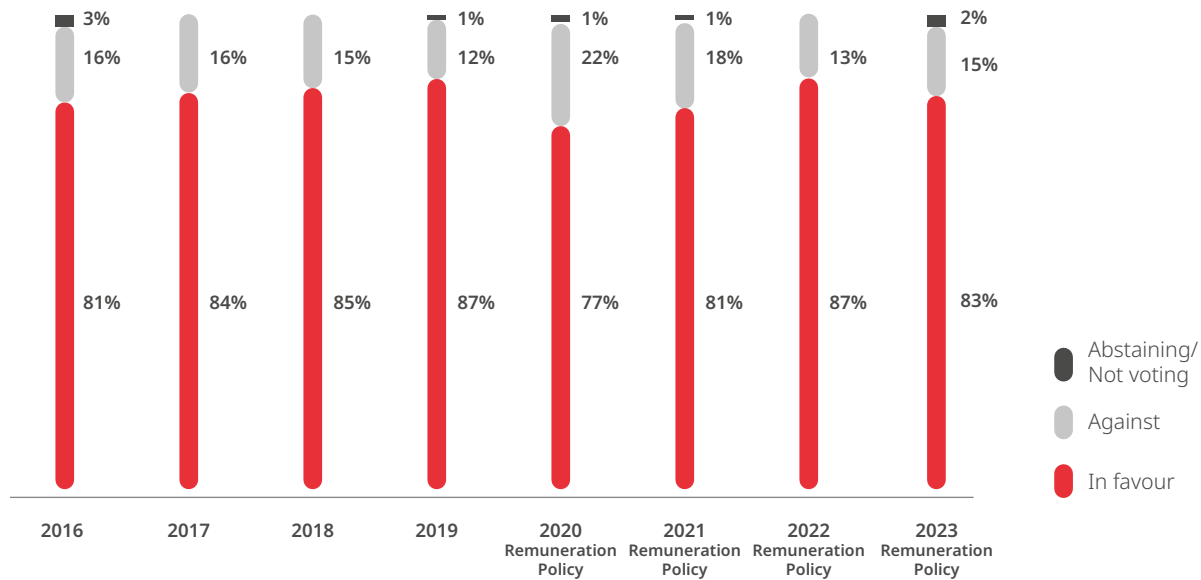
The Remuneration & Appointments Committee assessed the soundness of the contents of the Remuneration Policy considering various elements, such as:



The Remuneration & Appointments Committee also devoted particular attention to the findings of the analysis and further examination relating to the results of the vote cast by the Shareholders' Meeting and the feedback received from the shareholders, as well as to the results of the

engagement activity with the proxy advisors. Within this framework, considerable importance was also attached to continuous interaction with all company stakeholders, reflecting on all potential development ideas in order to constantly improve the adoption of market best practices.

The evolution in the outcome of voting⁸ on the Remuneration Reports published from 2016 to 2019 and on the Reports on the Remuneration Policy published in 2020, 2021, 2022 and 2023 is shown below:



GENERAL SHAREHOLDERS' MEETING

	21.04.2016	20.04.2017	20.04.2018	18.04.2019	23.04.2020	22.04.2021	22.04.2022	20.04.2023
In favour	81.36939%	83.713928%	85.190359%	86.512285%	76.974849%	81.019343%	86.575108%	83.005503%
Abstaining / Not voting	2.55781%	0.471699%	0.325561%	0.996482%	1.147419%	0.77865%	0%	2.269132%
Against	16.0728%	15.814373%	14.484079%	12.491234%	21.877773%	18.202007%	13.424892%	14.725365%

2.2 REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

The General Shareholders' Meeting of 20 April 2023 resolved to allocate to the Board of Directors an overall remuneration of at €9,500,000, setting the number of Board members at 11, and appointed the Board of Directors for the 2023-2025 three-year period, i.e., until the General Shareholders' Meeting called to approve the 2025 Financial Statements.

The candidates for the 2023-2025 three-year period were nominated on the basis of the guidelines expressed by the outgoing Board of Directors regarding its size and composition and the types of professional and managerial profiles

and their remuneration, as described in the Directors' Illustrative Report on the Appointment of the Board of Directors, made available on the Company's website along with additional pre-meeting information documents.

With the aim of ensuring an ideal mix of skills, experience and professionalism among the members of the Board of Directors for the 2023-2025 term, the outgoing Board of Directors formulated these guidelines taking into account the indications of the Remuneration & Appointments Committee in its meeting of 15 February 2023, including with

⁸ % calculated on the ordinary shares with voting rights/entitled to vote in the Shareholders' Meeting.

regard to overall remuneration, and the recommendations of the Independent Directors.

The overall remuneration approved by the General Shareholders' Meeting, upon proposal of the outgoing Board of

Directors, was allocated by Brembo's Board of Directors on 20 April 2023 pursuant to Article 21 of the By-laws.

The following remuneration thus refers to the Board of Directors appointed for the 2023-2025 mandate.

2.2.1 Directors Not Holding Special Offices

Board of Directors	With reference to Directors, it was resolved to envisage an annual emolument of €60,000, plus emoluments for any positions held on Board Committees.
Audit, Risk & Sustainability Committee	With regard to the Audit, Risk & Sustainability Committee, the Chairwoman was assigned an emolument of €30,000 and the Committee members of €25,000.
Remuneration & Appointments Committee	With regard to the Remuneration & Appointments Committee, the Chairman was assigned an emolument of €20,000 and the Committee members of €15,000.

The Remuneration Policy for Brembo's non-executive directors provides for compensation adequate to their duties, professionalism and commitment required of their assignments within the Board of Directors and Board Committees. As recommended by Article 5, paragraph 29, of the Corporate Governance Code, this compensation is not tied to financial performance objectives.

The Board of Directors further confirmed an additional emolument of €15,000 to Cristina Bombassei for her role as Director in charge of the Internal Control and Risk Management System (ICRMS).

Furthermore, the Board of Directors established an additional emolument of €10,000 to Elisabetta Magistretti for her role as member of the Supervisory Committee.

It should also be recalled that Cristina Bombassei, as Executive Director of the Company, receives a salary and participates in incentive systems, in accordance with the Company policies applicable to the respective roles, in

addition to the emolument for seating on the Board of Directors.

In light of the roles and tasks assigned as per Brembo N.V.'s governance model following the Cross-Border Conversion, it should be noted that on 5 March 2024 the Board of Directors, upon proposal from the Remuneration & Appointments Committee, resolved to grant a remuneration of €30,000 to Lead Independent Director Manuela Soffientini and to rise from €30,000 to €50,000 the remuneration paid to the Chairwoman of the Audit, Risk & Sustainability Committee, Elisabetta Magistretti. The aforementioned resolution entered into effect at the effective date of the Cross-Border Conversion.

Following the best market practices, Directors not holding special offices do not receive any form of variable remuneration. There is, however, a Directors & Officers (D&O) Liability policy to cover the risk of third-party claims arising from their actions in performance of their duties. This policy also extends to any legal expenses.

2.2.2 Executive Directors

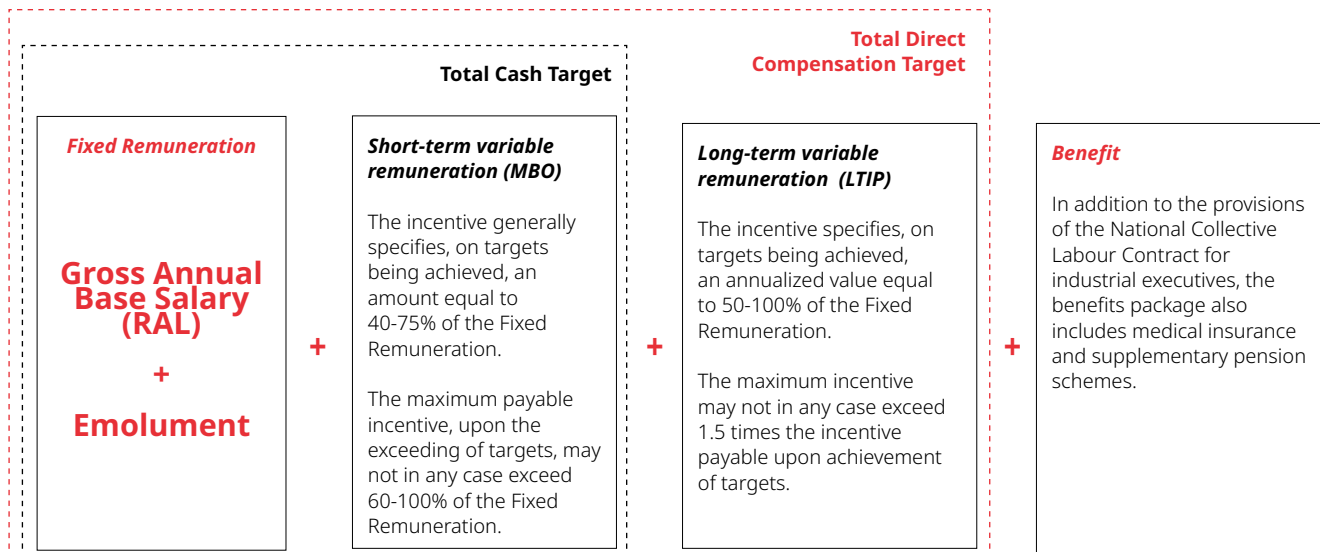
In preparing the Policy, the Board decided that Executive Directors should be subject to a Remuneration Policy in which a significant part of their remuneration is linked to achieving specific performance objectives. Such performance objectives are identified and determined in advance, consistently with the guidelines of the general

Remuneration Policy drawn up by the Board of Directors (Article 5, paragraph 27, of the Corporate Governance Code).

The Remuneration Policy provides for Executive Directors to receive a fixed annual remuneration consisting of:

POSITION	GROSS ANNUAL BASE SALARY – RAL (€)	EMOLUMENTS FOR THE OFFICE HELD (€)	NON-COMPETITION AGREEMENT (€)	FIXED COMPONENT (€)
Executive Chairman	1,050,000	250,000	-	1,300,000
Chief Executive Officer	-	1,100,000	200,000	1,300,000 ⁹
Chief CSR Officer	181,678	75,000	-	256,678
Chief Public Affairs and Institutional Relations Officer	290,000	60,000	-	350,000

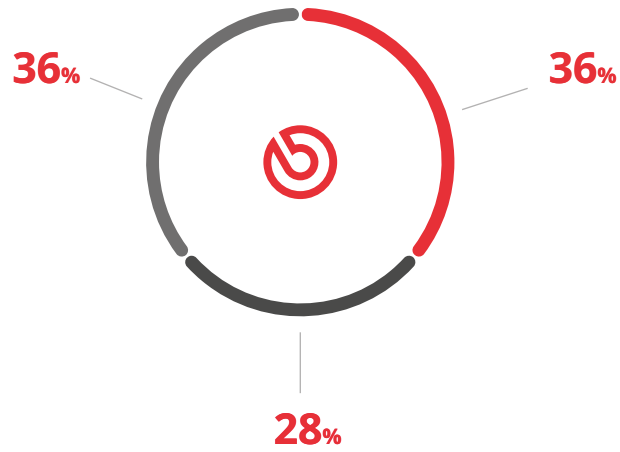
For these positions, the Board resolved on a remuneration package as follows:



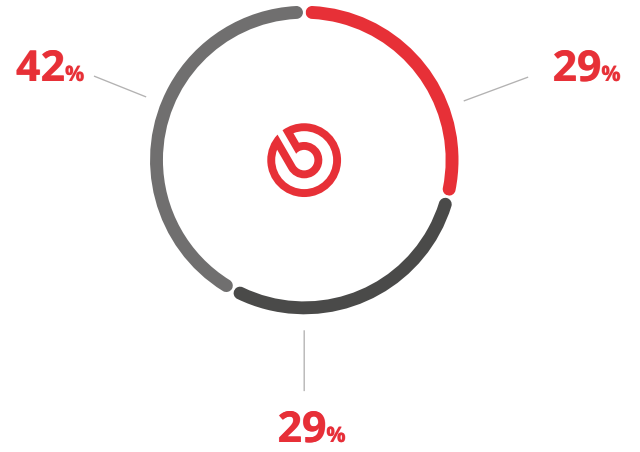
The composition of the remuneration packages of the Executive Directors presents some variations in terms of the relative weight of the various remuneration components, as a function of achievement of performance objectives, as indicated below:

⁹ This compensation is also in addition to annual housing allowance of €100,000 and an annual Strategic Yearly Bonus of €500,000 for retention purposes.

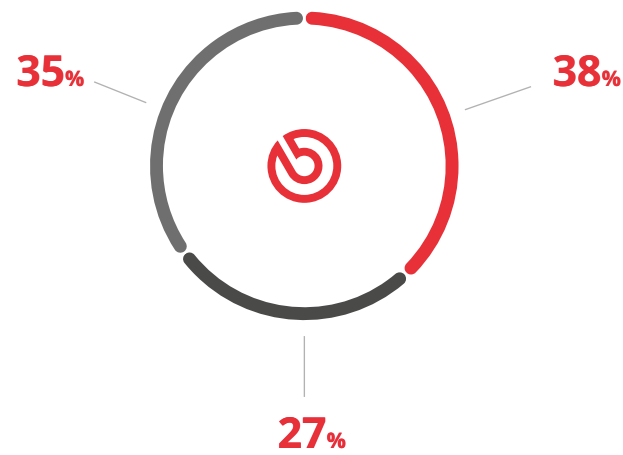
Target pay mix - Executive Chairman



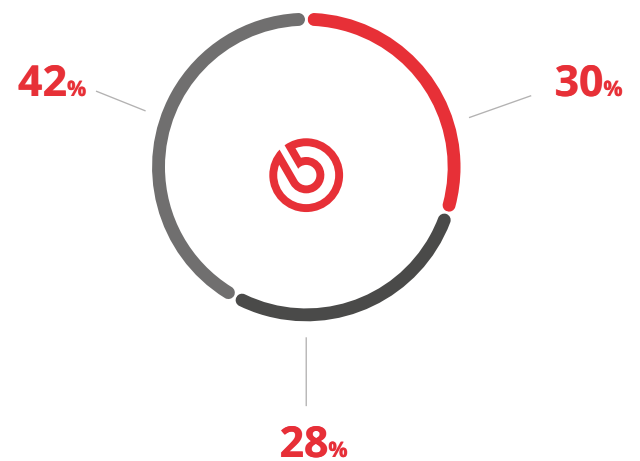
Maximum pay mix - Executive Chairman



Target pay mix - CEO



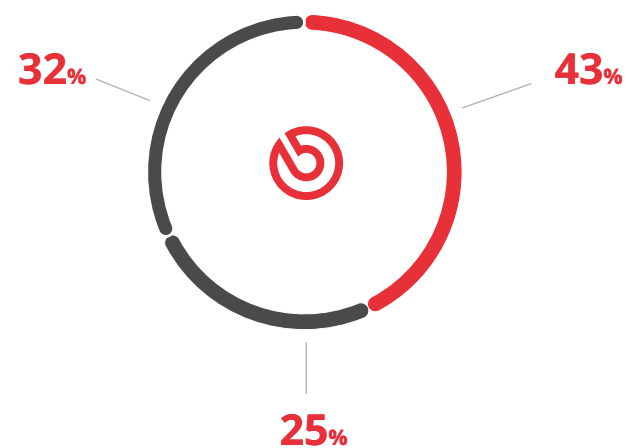
Maximum pay mix - CEO



Target pay mix - Chief CSR Officer, Chief Public Affairs and Institutional Relations Officer



Maximum pay mix - Chief CSR Officer, Chief Public Affairs and Institutional Relations Officer



● Fixed remuneration
 ● Short-term variable component (MBO)
 ● Long-term variable component

The Board of Directors is tasked with assessing the performance levels used in the variable remuneration plans, as per the Remuneration & Appointments Committee's proposals.

On the instructions of the Chairman of the Board of Directors, the Remuneration & Appointments Committee must also periodically assess the adequacy, overall consistency and actual application of the general Remuneration Policy adopted for Executive Directors (including any Three-Year Incentive Plans, etc.).

The Remuneration & Appointments Committee also monitors the implementation of the decisions taken by the Board, verifying especially on the actual achievement of performance objectives and evaluating the proposed assignment and quantification of variable incentive Plans where objectives are achieved.

The positioning, the composition of the various compensation elements and external competitiveness were analysed based on a study commissioned to Mercer by Brembo's Human Resources & Organisation Global Central Function on remuneration practices and policies for Top Management (especially the roles of Executive Chairman and CEO) that took into account the remuneration practices adopted by Italian companies and European peer companies within the industry that are comparable with Brembo in terms of value creation and governance structure.

The remuneration packages for the C-Suite follow the same rationale and philosophy as that used to build the remuneration packages for Executive Directors. In practice, these entail a fixed component (RAL), a short-term variable incentive (MBO), a possible long-term component (LTIP) in accordance with the position held, and a benefits package, based on the National Collective Labour Contract in force and company practices.

2.3 REMUNERATION OF MEMBERS OF THE BOARD OF STATUTORY AUDITORS

At the date of preparation of this Report, the Board of Statutory Auditors is composed of the following members:

- Chairman: Fabrizio Riccardo Di Giusto¹⁰;
- Acting Auditors: Stefania Serina and Mario Tagliaferri;
- Alternate Auditors: Giulia Pusterla¹¹ and Alessandra Vaiani.

On 20 April 2023, the General Shareholders' Meeting resolved, also in light of the Decree of the Italian Ministry of Justice No. 169, dated 2 September 2010 ("Regulation on compensation, indemnities and criteria of expense reimbursements for professional services of certified accountants and bookkeepers") regarding remuneration for Statutory Auditors, to allocate to the Board of Statutory Auditors

an overall annual remuneration of €196,000 to be divided among the Chairman and Acting Auditors:

- Chairman: €76,000
- Acting Auditors: €60,000

In accordance with principle Q.1.6 ("Remuneration") of the Rules of Conduct for the Boards of Statutory Auditors of Listed Companies (the most recent version issued on 26 April 2018 by the National Council of Accountants and Accounting Experts), this compensation was deemed appropriate in light of the determination criteria represented by the outgoing Statutory Auditors and the related indications on quantifying the commitment required to carry out the assignment.

¹⁰ Elected from the minority list submitted by a group of Shareholders representing 2.37211% of share capital.

¹¹ Elected from the minority list submitted by a group of Shareholders representing 2.37211% of share capital.

2.4 VARIABLE REMUNERATION — MBO AND LTIP— ALLOCATED TO CERTAIN MEMBERS OF THE BOARD OF DIRECTORS AND OTHER EXECUTIVES

2.4.1 MBO

In 2023, the Remuneration & Appointments Committee defined the new short-term Incentive Plan (2024 MBO).

The Annual Incentive System (MBO) was designed to align the beneficiaries' organisational conduct and motivate them to achieve challenging targets, by recognising individual contributions to the Group's results on an annual basis.

Moreover, as of 2018 the Brembo Group has continued its process aimed at emphasising issues relating to sustainability, with the goal of including the key drivers of ESG (Environmental, Social and Governance) factors in the MBO form to be assigned to the Group's Top Management.

The 2024 MBO plan was approved by the Board of Directors on 23 February 2024, upon proposal submitted by the Remuneration & Appointments Committee. Executive Directors are included among its beneficiaries.

The 2024 MBO system provides for an entry gate relating to the Group EBITDA in absolute terms. This performance condition involves an on/off functioning mechanism that entails payment of the final pay-out to the beneficiaries solely in the event that the Group's operating and financial performance is in line with the established targets. Otherwise, if the access entry gate is not reached, the system will not be activated, giving rise to non-payment of monetary incentives, regardless of whether the objectives in each MBO form are reached.

The purely quantitative objectives assigned to the beneficiaries were identified and broken down for eligible employees to encourage the generation of the Group's absolute and relative profitability and its organic growth. In detail, the following criteria were selected: EBITDA, EBIT, Total Sales and ROI (for the Group); a sustainability indicator (Group Sustainability Index) was also identified with the aim of promoting the application of a long-term sustainable business model. In line with the values that underpin the Remuneration Policy, the focus on environ-

mental and sustainability topics is a strength of the whole Group. This vision is guaranteed by ESG metrics in the MBO form and has led Brembo to being recognised by the CDP (Carbon Disclosure Project) as one of the world's leading companies in terms of its commitment and ability to respond to climate change and water resource management.

The following table shows the objectives of the 2024 MBO form of Brembo's Executive Directors:

2024 MBO EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER	WEIGHT
<i>Group EBITDA ABS. VALUE</i>	30%
<i>Group EBIT %</i>	20%
<i>Group ROI %</i>	25%
<i>Group Net Sales</i>	15%
<i>Group Sustainability Index</i>	10%

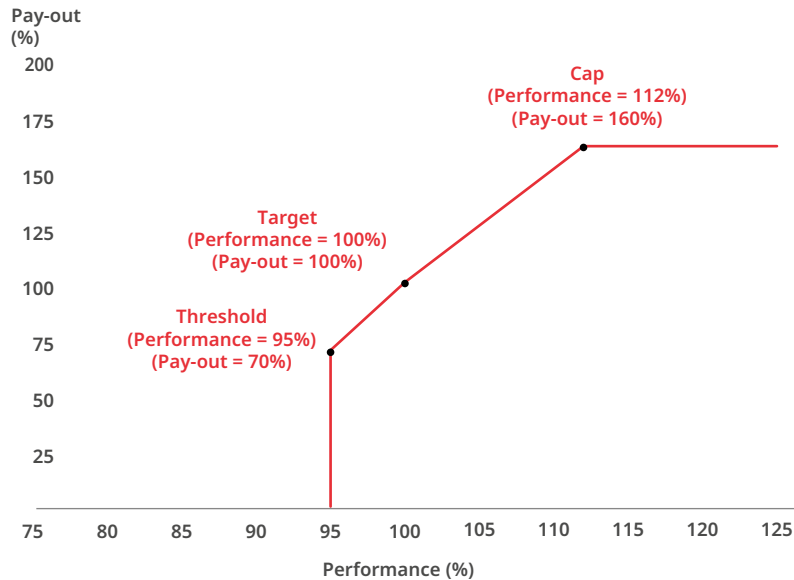
In this regard, it bears remarking that for the purposes of verifying the performance targets with which the actual pay-out of the incentive system is associated, reference will be made, where possible, to the figures given in the Segment Reporting in the Financial Statements, as approved by the Board of Directors, without the use of results adjusted for extraordinary components.

Failure to achieve the minimum quantitative objective results in no incentives being paid (proportional to the weight of the quantitative objectives for the beneficiary of the MBO Plan in question). Where better-than-expected results are achieved, the bonus is increased (proportional to the weight of the quantitative component in the beneficiary's MBO form) using a 5 to 1 ratio, i.e., for every 1% improvement on forecast results, an additional 5% bonus is paid out.

The Group sets at 160% the maximum limit for the bonus payable for each objective. Similarly, project performance bonuses are also subject to a 160% limit for each objective. The overall final cap for each MBO form is 150%.

The amount of the incentive actually paid varies according to the degree of achievement of the targets assigned to the individual objectives. The incentive curve applied to the

individual objectives of the 2024 MBO Plan, without prejudice to the overall cap on the MBO form of 150%, is shown below:



More specifically, for the MBO established for Brembo S.p.A.'s Executive Chairman and Chief Executive Officer, the overall maximum bonus payable may not in any case exceed the 133.33% of the on-target bonus. The percentage for the other two Executive Directors is 150%.

At the end of 2024, the Board of Directors will evaluate Executive Directors' performance and determine the degree of achievement of each objective in order to establish the final bonus. The disbursement of any bonus accrued will be effected after the Shareholders' Meeting that will approve the 2024 Financial Statements.

Brembo has exercised the right to protect the confidentiality of additional information deemed commercially sensitive, while also not disclosing forecast figures the release of which could harm the Group's interests.

The Company may provide, in exceptional circumstances, for an option to pay Executive Directors entry or retention bonuses in order to foster the acquisition and retention of

resources possessing specific expertise and top-level professional skills considered necessary to achieve the Group objectives.

2.4.2 LTIP

In 2021, the Remuneration & Appointments Committee submitted for approval the 2022-2024 Long-Term Incentive Plan to the Board of Directors, which approved the related Rules it in its meeting of 3 March 2022¹².

The structure of the Plan for the 2022-2024 period is based on that for the previous three-year period, since the Board of Directors deemed it to be fully consistent with the new challenges to be faced by the Group over the three years. In order to render it more consistent with the Company's long-term strategies and the sustainability plan that the Company has formulated, the LTIP includes an ESG objective, bearing witness to Brembo's constantly increasing commitment to achieving excellent operating and finan-

¹² The long-term Plan adopted is a closed, non-rolling plan. Therefore, until its closure a single bonus can be assigned, to be paid in full at the end of the Plan. To compare it with a rolling plan, the overall value should be split for the vesting years (3 years).

cial performance without compromise on the Company's founding values, such as respect for and protection of the environment, human capital, ethics and transparency.

In line with the Company's long-term strategies, the Plan intends to further align the interests of its beneficiaries with those of the Company by allowing the former to benefit from Brembo's expected success over the three-year period in question. The number of beneficiaries has been increased compared with the previous system, in light of the Group's goal of focusing in particular on people in key positions and securing their engagement. Accordingly, the Plan's beneficiaries include, in addition to Executive Directors, a pool of members of the Group's management team, consistent with the complexity and responsibilities managed by each, for a total of approximately 60 individuals.

This is a pure monetary Plan that allows participants to accrue a long-term incentive if the Plan objectives are met. The incentive is determined as a percentage of Gross Annual Base Salary (RAL), calculated based on the strategic and critical importance of the role, the impact of the role on company results and the degree of challenge in finding replacement candidates on the market.

In its meeting of 15 February 2023, the Remuneration & Appointments Committee, with regard to the definition of the 2023 Remuneration Policy, analysed the proposal for setting the bonus cap for the Executive Chairman and the Chief Executive Officer at 1.5 times the incentive payable at the achievement of the performance on-target objectives, with a view to pursuing a gradual alignment of the LTI policy established for all categories of the Plan beneficiaries. The Committee expressed a favourable opinion. The proposal, aimed at ensuring that the Top Management's packages are constantly aligned with international benchmarks, was then submitted to the vote of the Board of Directors, which approved it upon its meeting of 2 March. All parties directly involved did not take part in voting, as provided

for by the internal Regulation of the Board of Directors of Brembo S.p.A. The bonus cap revision has retroactive effects and, therefore, it is effective as of the first year of the vesting period of the 2022-2024 LTIP.

The reward component of the pay-out curve is offset by the fact that, for values falling below the entry point (corresponding to a performance in line with the targets of reference), no payment (proportional to the share for the performance objective) shall be paid.

If objectives are not reached for one, two or three of the four performance objectives, beneficiaries are still entitled to payment of the bonus in proportion to the objective(s) actually achieved.

The LTIP costs per each target are included in the Three-Year Business Plan objectives so that the LTIP is "self-financed" by the attainment of the objectives themselves.

Achieving the incentive is tied to 4 Group key performance indicators:

- wGroup Free Operating Cash Flow, adjusted for the effects of institutional, regulatory and other factors that are completely beyond control on the part of management, as compared to the 2022-2024 three-year period target;
- the ratio between Group Net Financial Position and Group EBITDA (NFP/EBITDA), compared to the target set for the individual years 2022, 2023 and 2024;
- Group Sustainability Index¹³ (Group's Carbon Footprint) at the end of the three-year period.

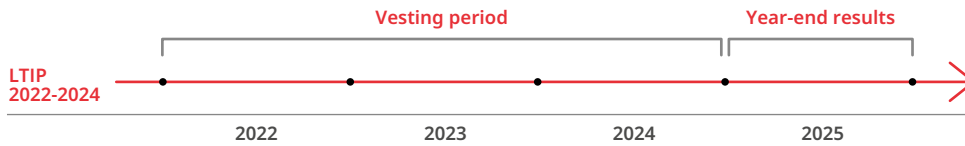
The Incentive Plan objectives are designed to reward the Group's financial and capital solidity, in line with the Business Plan and the results achieved over recent years in terms of stronger financial performance and productivity recovery.

13 Formula of the sustainability index (CDP: Group Carbon Footprint):

$$\frac{\text{Total amount of CO}_2 \text{ emissions saved in the three years thanks to improvement actions (tons CO}_2\text{e)}}{\text{Base year's Scope 1 and 2 CO}_2 \text{ emissions (tons CO}_2\text{e)}} \times 100$$

Base year: for the three-year period, it corresponds to 2021.

TIMELINE LTIP 2022-2024



In 2024, therefore, Brembo's LTI Plan will complete its vesting period. The final results of the objectives associated with the LTI Plan will be reported at the beginning of 2025 and, on the basis of the performances achieved by the beneficiaries, the bonus accrued will be paid following the Shareholders' Meeting that will approve the 2024 Financial Statements.

The following people are responsible for all assessments of the Plan, and are likewise responsible for all related decisions, as well as the implementation of the Rules:

- the Board of Directors, for the part of the Plan related to Brembo's Executive Directors; and
- the Executive Chairman and the Chief Executive Officer or another Director, severally, where delegated by the Board of Directors, for the part of the Plan rela-

ted to Managers other than Brembo's Chief Executive Officer.

The long-term incentive is paid, based on the Group's consolidated results, in a single payment at the end of the Plan.

Brembo has exercised the right to protect the confidentiality of additional information deemed commercially sensitive, while also not disclosing forecast figures, the release of which could harm the Group's interests.

The Plan also has retention purposes: in addition to achieving performance objectives, the entitlement of beneficiaries to receive the pay-out on the date of payment is conditional upon their ongoing employment relationship or management role within Brembo or one of its subsidiaries.

2.5 INDEMNITY IN THE EVENT OF RESIGNATION, DISMISSAL OR TERMINATION OF EMPLOYMENT, OR END OF THE TERM OF OFFICE/MANDATE

Daniele Schillaci was confirmed in his position as Chief Executive Officer by the General Shareholders' Meeting held on 27 April 2023 and will remain in office until the Shareholders' Meeting called to approve the 2025 Financial Statements.

The current contract between the CEO in office, Daniele Schillaci, and Brembo S.p.A. envisages a specific procedure of termination by mutual agreement. Specifically, in accordance with this provision, the Chief Executive Officer is entitled to the payment of a lump-sum one-off indemnity equal to 18 months of an amount corresponding to the sum of the Fixed Emolument for the office, the consideration for the non-competition agreement and the maximum amount payable by way of short-term variable component (MBO), in the event of:

- removal or non-renewal at the end of the office and/or mandate without just cause (interpreted as per the law);

- resignation from the office and waiver of mandate by Schillaci, necessitated by such a serious reason as to make his continuation impossible; or
- resignation from the office and waiver of mandate by Schillaci following a change of control pursuant to Article 2359 of the Italian Civil Code that has resulted in a substantial change in his position and/or his powers, occurring in the thirty days thereafter.

The total amount of the one-off indemnity allocated in the event that one of the aforementioned circumstances occurs may not in any case be less than €3,600,000 gross.

This one-off indemnity will be paid on condition that Daniele Schillaci signs a settlement agreement in which he waives any further claims or demands in respect of Brembo S.p.A. and/or the other Group companies, termination, within the prescribed timescales, of any positions held at or on behalf of Brembo S.p.A. or other Group companies, confirmation of the undertakings set out in the non-competition and non-poaching agreement of the contract and the additional customary clauses on privacy, confidentiality and no disrepute.

No non-monetary benefits are to be granted or maintained in favour of the Chief Executive Officer for such cases and no consulting contracts are to be entered into after termination of the relationship.

The effects of termination of the employment on the rights granted within the framework of the existing Long-Term Incentive Plan are described in the relevant Rules. In particular, the 2022-2024 Long-Term Incentive Plan (LTIP) includes clauses designed to promote the retention of resources by providing that in all cases of termination of the professional or directorship relationship prior to the date

of payment of the incentive, as well as of termination with notice or notification of a disciplinary proceeding, no bonus be paid to the beneficiaries. This is without prejudice to the case in which the professional or directorship relationship is terminated in the period between the date of the award letter and date of payment of the bonus due to death or certified physical or mental disability as a result of disease or accident and that entails an inability to continue the professional or directorship relationship for more than six months. In fact, in such cases, the bonus will be due on a pro-rated basis according to the period between the date of the award letter and the date of termination of the professional or directorship relationship.

The remaining Executive Directors are bound to the Company by an employment relationship governed by the relevant national collective labour contract. In this case, the maximum notice period applicable to all three Executive Directors is 12 months. The Brembo Group does not have agreements to determine entitlements in the event of leaving office or the termination of the employment save those set down by the applicable legal and/or contractual requirements as per the National Collective Labour Contract.

2.6 NON-COMPETITION AGREEMENTS AND OTHER LEGAL ARRANGEMENTS

The Group may enter into non-competition agreements with its Executive Directors and other Executives of Brembo S.p.A. or other roles requiring strategic or specific professional skills or expertise. Such agreements can stipulate the payment of a fixed amount or a proportion of Gross Annual Base Salary (RAL) in relation to the duration and scope of the limitation set forth in the agreement.

In exceptional cases, the Company reserves the right to set entry, retention and one-off bonuses for Executive Directors, designed to attract or retain resources with skills deemed critical and crucial to the Company's success and the achievement of its strategic long-term objectives.

With regard to non-competition agreements, such limitations vary according to trade sectors (and in any case those sectors in which the Group operates at the time of entering into the agreement) and to territorial coverage. Additional variations can also relate to the role held at the time of finalising the agreement and can be extended to cover all those countries in which the Group operates.

It should be recalled that the Chief Executive Officer is a party to a non-competition agreement, consideration for which is paid over the course of the employment relationship. This amount is hence included in total fixed remuneration and is valid for a period of 18 months subsequent to the termination of office for any reason whatsoever.

2.7 PENSION

The current contract between the Chief Executive Officer and the Brembo Group calls for granting an annual gross amount of €295,100 to cover an individual supplementary pension scheme.

For all other Executive Directors, who are employees, the provisions of the National Collective Labour Contract of reference apply.

2.8 CLAWBACK/MALUS

With effect from 2016, the short-term incentive system (MBO) and the long-term incentive system (LTIP) include a clawback clause, as required by the Corporate Governance Code (Article 5, paragraph 31, point c), also confirmed in the 2024 MBO and 2022-2024 LTIP currently in force. Following the Cross-Border Conversion, the clawback provisions set forth by Article 2:135, paragraph 8, of the Dutch Civil Code will be applicable to the short-term incentive system (MBO) and the long-term incentive system (LTIP). In particular, the

clause allows the Company to request the refund of part or all of the variable components of remuneration (or to withhold deferred components), the award of which was determined on the basis of data or information concerning the achievement of objectives or the circumstances upon which the variable remuneration was based that subsequently proves manifestly incorrect or determined in the presence of fraudulent behaviour or gross negligence on the part of the beneficiaries.

SECTION II

FOREWORD

This section has two parts. In the tables attached to Part Two, it provides details of the specific remuneration paid to individual members of the Board of Directors, the Board of Statutory Auditors, and Key Management Personnel.

In compliance with Consob Resolution No. 21263 of 10 December 2020 amending Scheme 7-ter of Annex 3A the Issuers' Regulation, Section II of the Report on the Remuneration Policy and Remuneration Paid consists specifically of a first part that describes in a clear, adequate and intelligible way the items of the remuneration paid in 2023 and their compliance with the Remuneration Policy for 2023, and a second part that provides a detailed account of the compensation paid.

It also sets out the 2023 performance results accrued on the basis of the objectives set by Brembo's Board of Directors and which will determine the incentives that will be paid in 2024. In order to ensure increasingly effective,

transparent communication with shareholders, investors and the market at large and in keeping with the provisions introduced in the previous year, the Company provides in open form the business results achieved associated with the performance objectives of the short-term incentive system (2023 MBO)¹⁴.

In continuity with the past and in accordance with the guidance provided for in Scheme 7-bis of Annex 3A to the Issuers' Regulation, the amounts presented relating to the incentive systems are thus understood to be stated on an accrual and not a cash basis.

In accordance with Article 123-ter, paragraph 8-bis, of TUF, the auditing firm responsible for conducting statutory auditing of the Financial Statements (Deloitte & Touche S.p.A.) properly verified the preparation of Section II of this Report through a formal control of the publication of the information set forth therein.

PART ONE

The details of the remuneration paid out in the year of reference (2023) are illustrated below. Details of the various items and additional data can be found in Section I of this Report.

The Remuneration Policy for 2023 was assessed by the Remuneration & Appointments Committee as part of the periodic evaluations required by the 2021 version of the Corporate Governance Code (23 February 2024)¹⁵. The Committee confirmed that the Policy was consistent and compliant with the decisions previously taken by the Board of Directors. The Committee's assessment also confirmed the consistency of the Remuneration Policy for 2023 with the available market benchmarks, both in terms of overall positioning and pay mix.

More specifically, the Remuneration Policy for 2023 was implemented through payment, where applicable, of the following items:

- emolument as member of the Board of Directors;
- emolument as Director holding special offices;
- gross Annual Base Salary (RAL) and non-competition agreement, if any;
- emolument as member of Committees;
- a variable annual incentive based on the achievement of pre-set corporate objectives (so called MBO);
- a long-term variable incentive (so-called LTIP);
- benefits included in the National Collective Labour Contract and based on company practices.

¹⁴ The values of some KPIs reported in the tables for MBO come from the consolidated segment reporting (IFRS 8) presented in the Annual Financial Report 2023 under section "Segment Report" in "Group Activities, Segments, Significant Transactions and Further Information".

¹⁵ The 2023 Remuneration Policy is consistent and compliant with the provisions of Article 5 – "Remuneration" of the new Corporate Governance Code, which Brembo adopted in 2022.

EXEMPTION FROM THE REMUNERATION POLICY FOR 2023

In accordance with the provisions of Italian Legislative Decree No. 49 of 10 May 2019, in 2020 Brembo adopted a process for the temporary exemption from its Remuneration Policy, implemented in the event of exceptional circumstances, where such an exemption concerning the contents of the said Policy is required in order to pursue the Group's

long-term interests and sustainability as a whole.

In 2023, there were no exceptional circumstances resulting in the exercise by the Board of Directors of the exemption concerning the contents of the 2023 Policy.

IMPLEMENTATION OF THE REMUNERATION POLICY FOR 2023: FIXED REMUNERATION

Following the appointment of the Corporate Boards, the General Shareholders' Meeting of 20 April 2023 confirmed the Board of Directors' overall remuneration at €9,500,000, setting the number of Board members at 11, and appointed the Board of Directors for the three-year period 2023-2025, i.e., until the General Shareholders' Meeting called to approve the Financial Statements for the year ending 31 December 2025.

On the same date, the Board of Directors approved the emoluments for the 2023-2025 term of office for the different administrative and control functions, as well as for participation of the members in Committees and the Supervisory Committee.

The tables in Part Two of this Section provide the details of the remuneration granted to newly appointed members, re-elected members and outgoing members for the months of actual service. It should be noted that the Directors' fixed remuneration given in Consob's Table 1 is stated on a pro-rated basis considering that the emolument assigned to Directors pursuant to Article 2389, paragraph 1, of the Italian Civil Code, had been €55,000 until the General Shareholders' Meeting held on 20 April 2023 and was subsequently increased to €60,000 following the new 2023-2025 three-year term of the Board of Directors. The emoluments assigned to the Chairman and the members of the Board of Statutory Auditors pursuant to Article 2402 of the Italian Civil Code are stated based on the same principle, considering that the Chairman's remuneration was reduced from €84,000 to €76,000, whereas that of Statutory Auditors was

increased from €56,000 to €60,000.

The emoluments received in 2023 were therefore as follows:

- Executive Chairman: €1,300,000
- Chief Executive Officer: €1,300,000.

In this regard, it should be noted that the fixed remuneration for the Executive Chairman also includes a Gross Annual Base Salary (RAL) of €1,050,000 and the emolument for the role amounting to €250,000, whereas the Chief Executive Officer received, in addition to the emolument for the office held — which includes the consideration for a non-competition agreement paid during his employment with the Company — an annual housing allowance of €100,000.

It bears also noting that the Chief Executive Officer was also assigned a Strategic Yearly Bonus of €500,000. This form of remuneration is part of Brembo's retention systems and is in line with the goal of retaining key and strategic individuals fundamental to achieve the Company's long-term objectives. It is also aligned to the professional profile of its beneficiary, namely an individual renowned at global level and within the sectors in which Brembo operates (Original Equipment Manufacturer).

The amounts for the above emoluments are detailed in the related items reported in Table 1, with regard to each beneficiary.

IMPLEMENTATION OF THE REMUNERATION POLICY FOR 2023: 2023 MBO

The MBO incentive for the 2023 performance year shall be paid in 2024. The results for the 2023 financial year submitted to the Board of Directors upon proposal by the Remuneration & Appointments Committee at the meeting of 23 February 2024 determined a performance score for Top Management of 133.33%, the maximum level of the percentage scale adopted, although the maximum performance levels set forth by the Plan had been exceeded, as shown in detail in the table below.

More specifically, the amount to be paid out in 2024 as regards the short-term incentive is thus 133.33% of the target value in question, based on the pay-out curve envisaged by the system and the relevant corporate performance evaluation in relation to the achievement of the key indicators — Group EBITDA as an absolute value, Group EBIT %, Group ROI %, Group Total Sales, and Group Sustainability Index — for both the Executive Chairman and the Chief Executive Officer, as illustrated below:

KPIS	TARGET VALUE	FINAL VALUE	WEIGHT (%)	LEVEL OF ACHIEVEMENT (%)
Group EBITDA (€ thousand) ¹⁶	550,873.20	635,034.16	30	48.00
Group EBIT % ¹⁷	7.78	10.69	20	32.00
Group ROI % ¹⁸	12.57	19.27	25	40.00
Group Net Sales (€ thousand) ¹⁹	3,837,915.14	3,853,493.98	15	15.30
Group Sustainability Index	20.00	31.70	10	16.00
Total			100%	150.00 → 133.33

In light of the incentive mechanism provided for the MBO established for Brembo S.p.A.'s Directors holding special offices and Key Management Personnel, the overall bonus payable may not in any case exceed the 133.33% of the on-target bonus. The application of this score resulted in the following pay-outs:

- for the Executive Chairman, a bonus of €1,300,000.00,

equal to 100% of the annual fixed remuneration, taking into account the assigned target (100%) and maximum (133.33%) incentive levels;

- for the Chief Executive Officer, a bonus of €1,300,000.00, equal to 100% of the annual fixed remuneration, taking into account the assigned target (100%) and maximum (133.33%) incentive levels.

16 The Group EBITDA final value reported in the table come from the segment reporting (IFRS 8) presented in the Annual Report 2023 under section "Segment Report" in "Group Activities, Segments, Significant Transactions and Further Information".

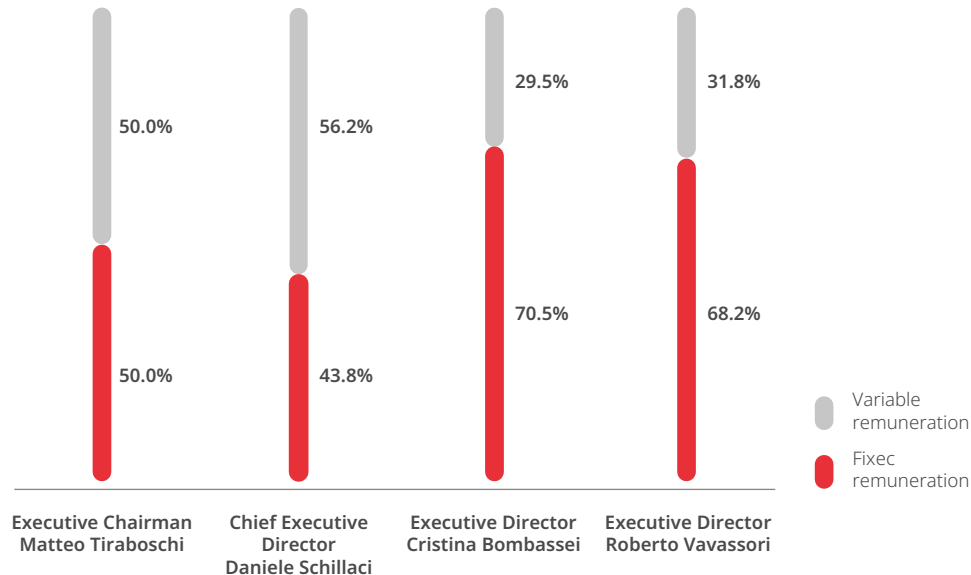
17 The Group EBIT final value calculated on the Group Total Sales reported in the table come from the segment reporting (IFRS 8) presented in the Annual Report 2023 under section "Segment Report" in "Group Activities, Segments, Significant Transactions and Further Information" (Operating Income/Net sales). The reconciliation between Net Operating income (Consolidated Statement of Income) and Operating Income is given in the specific table included in the aforementioned section of the Annual Financial Report 2023.

18 The Group ROI final value reported in the table come from the segment reporting (IFRS 8) presented in the Annual Financial Report 2023 under section "Segment Report" in "Group Activities, Segments, Significant Transactions and Further Information".

19 The Group Net Sales final value reported in the table come from the segment reporting (IFRS 8) presented in the Annual Financial Report 2023 under section "Segment Report" in "Group Activities, Segments, Significant Transactions and Further Information".

The percentage of fixed to variable remuneration with respect to total remuneration paid to the beneficiaries of

the 2023 annual incentive system²⁰ is given below. Table 1 shows emoluments on an individual basis:



The table does not include non-monetary benefits for 2023. It should also be noted that the 2022-2024 Long-Term Incentive Plan (LTIP) is a closed, non-rolling plan, whose payment, conditional upon the achievement of the relevant

performance indicators, will only be disbursed at the end of 2024. Further details are provided under the “Variable non-equity/Bonuses and other incentives” item in Table 1, with relevant details in Table 3b.

COMPARATIVE INFORMATION REGARDING THE REMUNERATION OF THE BOARD OF DIRECTORS, THE GROUP’S RESULTS AND THE AVERAGE REMUNERATION OF BREMBO’S EMPLOYEES

The table below shows a comparison between the remuneration paid to Directors and Statutory Auditors who as at 31 December 2023 were members of Brembo’s Board of Directors and/or Board of Statutory Auditors, the Group’s financial performance in terms of EBITDA and value of Brem-

bo’s stock, and the average gross annual remuneration of Brembo’s employees. Each figure is provided for a period of five years (2019-2023), in keeping with the guidance provided on the matter by the European Commission in its draft Guidelines on the preparation of remuneration reports²¹:

²⁰ The reconciliation between Revenue from contracts with customers (Consolidated Statement of Income) and Net Sales is given on the relevant table contained in the dedicated section of the Annual Financial Report.

²¹ The figures included in the table are stated on an accrual and not a cash basis, in compliance with Annex 3A, Scheme 7-bis, of the Issuers’ Regulation introduced by Consob Resolution No. 18049 of 23 December 2011, as subsequently amended by Consob Resolution No. 21623 of 10 December 2020.

DIRECTOR/AUDITOR (ROLE)	2023	2022	2021	2020	2019
Matteo Tiraboschi (Executive Chairman)	2,600,000	2,500,000	2,499,969	2,247,500	2,166,047
Daniele Schillaci (Chief Executive Officer)	3,200,000 ²²	3,500,000 ²³	3,199,968	2,847,500	1,723,525 ²⁴
Cristina Bombassei (Executive Director)	350,916	328,685	311,107	241,275	236,822
Roberto Vavassori (Executive Director)	521,846	491,000	436,000	-	-
Valerio Battista ²⁵ (Executive Director)	16,575	55,000	55,000	55,000	55,000
Giancarlo Dallerà ²⁶ (Executive Director)	55,890	-	-	-	-
Manuela Soffientini (Executive Director)	98,493	76,086	-	-	-
Nicoletta Giadrossi ²⁷ (Executive Director)	30,137	100,000	100,000	98,333	95,000
Michela Schizzi ²⁸ (Executive Director)	59,384	-	-	-	-
Umberto Nicodano (Non-executive Director)	58,493	55,000	55,000	60,000	70,000
Gianfelice Rocca (Executive Director)	58,493	55,000	55,000	55,000	55,000
Elizabeth Marie Robinson (Executive Director)	73,493	70,000	70,000	46,667	-
Elisabetta Magistretti (Executive Director)	98,493	94,004	90,000	60,000	-
Fabrizio Riccardo Di Giusto ²⁹ (Chairman of the Board of Statutory Auditors)	53,096	-	-	-	-
Raffaella Pagani ³⁰ (Chairwoman of the Board of Statutory Auditors)	25,315	84,000	84,000	84,000	84,000
Mario Tagliaferri ³¹ (Acting Auditor)	75,795	73,000	75,125	81,500	81,500
Stefania Serina (Acting Auditor)	58,795	32,742	-	-	-
CORPORATE PERFORMANCE (€)	2023	2022	2021	2020	2019
Group EBITDA (€ thousand) ³²	635,034	586,034	467,217	361,835	462,628
Valore Titolo Brembo	11.10 ³³	10.45 ³⁴	12.53 ³⁵	10.80 ³⁶	11.06 ³⁷
BREMBO EMPLOYEES	2023	2022	2021	2020	2019
Average Gross Annual Base Salary	47,853	45,470	43,296	42,541	42,026

22 Of which €500,000 linked to the Strategic Yearly Bonus paid in 2023.,

23 Including €800,000 as one-off remuneration for the pro-rated 2019-2021 LTIP regarding the first half of 2019.

24 As of 1 July 2019, the Board of Directors co-opted Daniele Schillaci, pursuant to Article 2386 of the Italian Civil Code, as Director and appointed him Chief Executive Officer, vesting him with all related powers. 2019 figures account for a six-month pro-rated value of fixed and variable remuneration paid to Daniele Schillaci.

25 Office of member of the Board of Directors terminated on 20 April 2023. 2023 figures are a pro-rated value calculated for the period 1 January 2023-20 April 2023.

26 Appointed Director and Chairman of the Remuneration & Appointments Committee on 20 April 2023. 2023 figures are a pro-rated value calculated for the period 20 April 2023-31 December 2023.

27 Office of member of the Board of Directors terminated on 20 April 2023. 2023 figures are a pro-rated value calculated for the period 1 January 2023-20 April 2023.

28 Appointed by the Board of Directors as member of the Audit, Risks & Sustainability Committee on 20 April 2023. 2023 figures are a pro-rated value calculated for the period 20 April 2023-31 December 2023.

29 Appointed by the General Shareholders' Meeting as Chairman of the Board of Statutory Auditors on 20 April 2023. 2023 figures are a pro-rated value calculated for the period 1 January 2023 – 20 April 2023.

30 Office of Chairwoman of the Board of Statutory Auditors terminated on 20 April 2023. 2023 figures are a pro-rated value calculated for the period 1 January 2023-20 April 2023.

31 Of which €17,000.00 as emolument from subsidiaries and associates.

32 The Group EBITDA actual value reported in the table comes from the segment reporting document (IFRS 8) presented in the Annual Financial Report 2023.

33 Closing price of Brembo stock BRE:MI at 29 December 2023.

34 Closing price of Brembo stock BRE:MI at 30 December 2022.

35 Closing price of Brembo stock BRE:MI at 30 December 2021.

36 Closing price of Brembo stock BRE:MI at 30 December 2020.

37 Closing price of Brembo stock BRE:MI at 30 December 2019.

The table shows, net of non-monetary benefits, the remuneration paid to the members of the Board of Directors and Board of Statutory Auditors, as per Table 1, to which reference should be made for further details. It should be noted that the Executive Directors' remuneration does not include the 2022-2024 Medium-/Long-Term Incentive Plan (LTIP), whose payment, conditional upon the achievement of the relevant performance indicators, will only be disbursed at the end of 2024, as it is a closed, non-rolling plan. In addition, the amounts accrued to the beneficiaries under the 2019-2021 Long-Term Incentive Plan (LTIP) and disbursed in 2022, following the approval of the 2021 Financial Statements by the Shareholders' Meeting of 21 April 2022, have not been included. The choice was made both to ensure uniformity in the representation of the data provided for the years 2022, 2021, 2020 and 2019 (which consider fixed remuneration and disbursement of the annual incentive) and comparability of the amounts disbursed during the years of reference, as the last two LTIPs launched by Brembo provide for a single payment of the bonus at the end of the vesting period.

The Average Gross Annual Base Salary was calculated ta-

king into account Brembo S.p.A.'s employees only (3,140 employees as regard financial year 2019, 3,039 employees for 2020, 3,098 employees at the end of 2021, 3,168 employees at the end of 2022 and 3,367 employees at the end of 2023). The compensation elements used in the calculation are the Fixed Remuneration, the short-term incentive (MBO) or the Company Performance Bonus (based on the offer defined for each employees' category). It should be noted that this value expresses the breakdown by employees' categories of Brembo S.p.A. where blue-collar workers accounted for approximately 55% of workforce in 2019, 54% in 2020, 53% in 2021, 50% in 2022 and 48% in 2023.

Brembo is a multinational company that operates on three continents and in 15 different countries (Brazil, China, Denmark, Germany, Japan, India, Italy, Mexico, Poland, United Kingdom, Czech Republic, Russia, Spain, United States and Sweden). Since these are countries in which the different cost of living would not have provided a consistent picture of the average remuneration and working conditions of Brembo employees, it was decided to present Average Gross Annual Base Salary based on the number of Brembo S.p.A.'s employees only.

FURTHER RELEVANT INFORMATION

For purposes of defining its Remuneration Policy, Brembo interacts with its proxy advisors, with the aim of assessing the opportunity of applying any suggestions that emerged during the discussion. This dialogue provided a valuable contribution on the perspective of the shareholders and, more generally, of the market on how the characteristics of the Remuneration Policy adopted are perceived.

In implementing the Remuneration Policy for 2023, the Remuneration & Appointments Committee took account of the vote and assessments expressed by the Shareholders' Meeting of 20 April 2023 regarding Section II of the Report on the Remuneration Policy and Remuneration Paid for 2023, which received the vote in favour of 80.826001% of the ordinary shares represented.

In particular, the main topics that emerged from the discussion with the main proxy advisors confirmed the criterion of continuity which the Group has sought to follow in implementing its remuneration policies.

In response to the inputs received, the disclosure provided in the Report on the Remuneration Policy and Remuneration Paid for 2024 is deemed to be extensive, thorough and detailed. In particular, with regard to the incentive systems envisaged, continuity with the provisions of the 2023 Policy has been ensured, providing the fully transparent indication of the values of the target and final objectives for

the short-term Incentive Plan (2023 MBO). To complement the considerable detailed information presented in this document on the nature of the MBO and LTIP on-target objectives, it should be noted that the access entry gate for the satisfaction of the objectives remains challenging, set at 95% for the MBO and at 100% for LTIP. This striving for overperformance therefore remains one of the distinctive elements of Brembo's remuneration philosophy, consolidated by the positive track-record achieved by the Group in 2023, a year still impacted by an unstable geopolitical and macro-economic scenario.

It should also be noted that in 2023 Brembo did not apply any ex-post corrective mechanism to the variable component (malus or reimbursement of variable components, i.e., clawback). In addition, no indemnities and/or other benefits were awarded for leaving office or termination of the employment during the year for any of the individuals whose remuneration is specifically illustrated in Table 1.

Table 1 illustrates the benefits awarded in 2023, valued in terms of tax liability. More specifically, these values relate to the following benefits: i) annual contribution to the supplementary pension fund; ii) annual contribution to the supplementary health insurance; iii) allocation of a car for business and personal use for at least three years (value net of the contribution from the beneficiary); iv) other supplementary care plans.

PART TWO

TABLE 1 - REMUNERATION PAID³⁸ TO MEMBERS OF THE BOARD OF DIRECTORS, MEMBERS OF THE BOARD OF STATUTORY AUDITORS, GENERAL MANAGERS AND OTHER KEY MANAGEMENT PERSONNEL

A	B	C	D
NAME AND SURNAME	ROLE	TERM OF OFFICE	EXPIRY OF OFFICE
Matteo Tiraboschi	Executive Chairman	01.01.2023-31.12.2023	Until date of approval of Financial Statements as at 31.12.2025
(I) Remuneration in company drawing up financial statements			
(II) Remuneration from subsidiaries and associates			
(III) Total			
Daniele Schillaci	Chief Executive Officer	01.01.2023-31.12.2023	Until date of approval of Financial Statements as at 31.12.2025
(I) Remuneration in company drawing up financial statements			
(II) Remuneration from subsidiaries and associates			
(III) Total			
Cristina Bombassei	Director	01.01.2023-31.12.2023	Until date of approval of Financial Statements as at 31.12.2025
(I) Remuneration in company drawing up financial statements			
(II) Remuneration from subsidiaries and associates			
(III) Total			
Roberto Vavassori	Director	01.01.2023-31.12.2023	Until date of approval of Financial Statements as at 31.12.2025
(I) Remuneration in company drawing up financial statements			
(II) Remuneration from subsidiaries and associates			
(III) Total			
Giancarlo Dallera	Director	20.04.2023-31.12.2023	Until date of approval of Financial Statements as at 31.12.2025
(I) Remuneration in company drawing up financial statements			
(II) Remuneration from subsidiaries and associates			
(III) Total			
Manuela Soffientini	Director	01.01.2023-31.12.2023	Until date of approval of Financial Statements as at 31.12.2025
(I) Remuneration in company drawing up financial statements			
(II) Remuneration from subsidiaries and associates			
(III) Total			
Michela Schizzi	Director	20.04.2023-31.12.2023	Until date of approval of Financial Statements as at 31.12.2025
(I) Remuneration in company drawing up financial statements			
(II) Remuneration from subsidiaries and associates			
(III) Total			
Umberto Nicodano	Director	01.01.2023-31.12.2023	Until date of approval of Financial Statements as at 31.12.2025
(I) Remuneration in company drawing up financial statements			
(II) Remuneration from subsidiaries and associates			
(III) Total			
Gianfelice Rocca	Director	01.01.2023-31.12.2023	Until date of approval of Financial Statements as at 31.12.2025
(I) Remuneration in company drawing up financial statements			
(II) Remuneration from subsidiaries and associates			
(III) Total			
Elizabeth M. Robinson	Director	01.01.2023-31.12.2023	Until date of approval of Financial Statements as at 31.12.2025
(I) Remuneration in company drawing up financial statements			
(II) Remuneration from subsidiaries and associates			
(III) Total			
Elisabetta Magistretti	Director	01.01.2023-31.12.2023	Until date of approval of Financial Statements as at 31.12.2025
(I) Remuneration in company drawing up financial statements			
(II) Remuneration from subsidiaries and associates			
(III) Total			
Fabrizio di Giusto	Chairman of the Board of Statutory Auditors	20.04.2023-31.12.2023	Until date of approval of Financial Statements as at 31.12.2025
(I) Remuneration in company drawing up financial statements			
(II) Remuneration from subsidiaries and associates			
(III) Total			

³⁸ The figures included in the table are stated on an accrual and not a cash basis, in compliance with Annex 3A, Scheme 7-bis, of the Issuers' Regulation introduced by Consob Resolution No. 18049 of 23 December 2011, as subsequently amended by Consob Resolution No. 21623 of 10 December 2020.

1	2	3		4	5	6	7	8
FIXED REMUNERATION	REMUNERATION FOR PARTICIPATION IN COMMITTEES	VARIABLE NON-EQUITY		NON-MONETARY BENEFITS	OTHER REMUNERATION	TOTAL	FAIR VALUE EQUITY REMUNERATION	END OF OFFICE/ TERMINATION OF EMPLOYMENT INDEMNITY
		BONUSES AND OTHER INCENTIVES	PROFIT SHARING					
1,300,000.00		1,300,000.00		130,380.57		2,730,380.57		
						0.00		
1,300,000.00	0.00	1,300,000.00	0.00	130,380.57	0.00	2,730,380.57	0.00	0.00
1,400,000.00		1,800,000.00		297,822.26		3,497,822.26		
						0.00		
1,400,000.00	0.00	1,800,000.00	0.00	297,822.26	0.00	3,497,822.26	0.00	0.00
232,447.48		103,468.49		23,125.47	15,000.00	374,041.44		
						0.00		
232,447.48	0.00	103,468.49	0.00	23,125.47	15,000.00	374,041.44	0.00	0.00
356,153.96		165,692.38		27,954.17		549,800.51		
						0.00		
356,153.96	0.00	165,692.38	0.00	27,954.17	0.00	549,800.51	0.00	0.00
41,917.81	13,972.60					55,890.41		
						0.00		
41,917.81	13,972.60	0.00	0.00	0.00	0.00	55,890.41	0.00	0.00
58,493.15	40,000.00					98,493.15		
						0.00		
58,493.15	40,000.00	0.00	0.00	0.00	0.00	98,493.15	0.00	0.00
41,917.81	17,465.75					59,383.56		
						0.00		
41,917.81	17,465.75	0.00	0.00	0.00	0.00	59,383.56	0.00	0.00
58,493.15						58,493.15		
						0.00		
58,493.15	0.00	0.00	0.00	0.00	0.00	58,493.15	0.00	0.00
58,493.15						58,493.15		
						0.00		
58,493.15	0.00	0.00	0.00	0.00	0.00	58,493.15	0.00	0.00
58,493.15	15,000.00					73,493.15		
						0.00		
58,493.15	15,000.00	0.00	0.00	0.00	0.00	73,493.15		
58,493.15	40,000.00					98,493.15		
						0.00		
58,493.15	40,000.00	0.00	0.00	0.00	0.00	98,493.15		
53,095.89						53,095.89		
						0.00		
53,095.89	0.00	0.00	0.00	0.00	0.00	53,095.89	0.00	0.00

A	B	C	D
NAME AND SURNAME	ROLE	TERM OF OFFICE	EXPIRY OF OFFICE
Mario Tagliaferri	Acting Auditor	01.01.2023-31.12.2023	Until date of approval of Financial Statements as at 31.12.2025
(I) Remuneration in company drawing up financial statements			
(II) Remuneration from subsidiaries and associates			
(III) Total			
Stefania Serina	Acting Auditor	01.01.2023-31.12.2023	Until date of approval of Financial Statements as at 31.12.2025
(I) Remuneration in company drawing up financial statements			
(II) Remuneration from subsidiaries and associates			
(III) Total			
Directors/Statutory Auditors who left office in 2023			
Valerio Battista	Director	01.01.2023-20.04.2023	
(I) Remuneration in company drawing up financial statements			
(II) Remuneration from subsidiaries and associates			
(III) Total			
Nicoletta Giadrossi	Director	01.01.2023-20.04.2023	
(I) Remuneration in company drawing up financial statements			
(II) Remuneration from subsidiaries and associates			
(III) Total			
Raffaella Pagani	Chairwoman of the Board of Statutory Auditors	01.01.2023-20.04.2023	
(I) Remuneration in company drawing up financial statements			
(II) Remuneration from subsidiaries and associates			
(III) Total			

Matteo Tiraboschi

- Fixed remuneration: Gross Annual Base Salary (RAL) of €1,050,000.00; emolument of €250,000.00
- Bonuses and other incentives: 2023 MBO of €1,300,000.00

Daniele Schillaci

- Fixed remuneration: emolument of €1,100,000; consideration for non-competition agreement of €200,000.00; housing allowance of €100,000.00
- Bonuses and other incentives: 2023 MBO of €1,300,000.00; Strategic Yearly Bonus of €500,000.00

Cristina Bombassei

- Fixed remuneration: Gross Annual Base Salary (RAL) of €172,447.48; emolument of €60,000.00
- Bonuses and other incentives: 2023 MBO of €103,468.49
- Other remuneration: remuneration for responsibility for Internal Control System and Risk Management of €15,000.00

Roberto Vavassori

- Fixed remuneration: Gross Annual Base Salary (RAL) €276,153.96; emolument of €60,000.00; one-off remuneration €20,000.00
- Bonuses and other incentives: 2023 MBO of €165,692.38

Giancarlo Dallera (in office as of 20 April 2023)

- Fixed remuneration: emolument of €41,917.81
- Remuneration & Appointments Committee: as Chairman €13,972.60

Manuela Soffientini

- Fixed remuneration: emolument of €58,493.15
- Audit, Risk & Sustainability Committee: as a member €25,000.00
- Remuneration & Appointments Committee: as a member €15,000.00

Michela Schizzi (in office as of 20 April 2023)

- Fixed remuneration: emolument of €41,917.81
- Audit, Risk & Sustainability Committee: as a member €17,465.75

Umberto Nicodano

- Fixed remuneration: emolument of €58,493.15

Gianfelice Rocca

- Fixed remuneration: emolument of €58,493.15

Elizabeth M. Robinson

- Fixed remuneration: emolument of €58,493.15
- Remuneration & Appointments Committee: as a member €15,000.00

1	2	3		4	5	6	7	8
FIXED REMUNERATION	REMUNERATION FOR PARTICIPATION IN COMMITTEES	VARIABLE NON-EQUITY		NON-MONETARY BENEFITS	OTHER REMUNERATION	TOTAL	FAIR VALUE EQUITY REMUNERATION	END OF OFFICE/ TERMINATION OF EMPLOYMENT INDEMNITY
		BONUSES AND OTHER INCENTIVES	PROFIT SHARING					
58,794.52						58,794.52		
17,000.00						17,000.00		
75,794.52	0.00	0.00	0.00	0.00	0.00	75,794.52	0.00	0.00
58,794.52						58,794.52		
						0.00		
58,794.52	0.00	0.00	0.00	0.00	0.00	58,794.52	0.00	0.00
16,575.34						16,575.34		
16,575.34	0.00	0.00	0.00	0.00	0.00	16,575.34		
16,575.34	13,561.64					30,136.98		
16,575.34	13,561.64	0.00	0.00	0.00	0.00	30,136.98		
25,315.07						25,315.07		
25,315.07	0.00	0.00	0.00	0.00	0.00	25,315.07		

Elisabetta Magistretti

- Fixed remuneration: emolument of €58,493.15
- Audit, Risk & Sustainability Committee: as Chairwoman €30,000.00
- Supervisory Committee: as a member €10,000.00

Fabrizio Riccardo Di Giusto (in office as of 20 April 2023)

- Fixed remuneration: emolument of €53,095.89

Mario Tagliaferri

- Fixed remuneration: emolument of €58,794.52; emolument from subsidiaries and associates of €17,000.00

Stefania Serina

- Fixed remuneration: emolument of €58,794.52

Directors/Statutory Auditors who left office in 2023

Valerio Battista (in office until 20 April 2023)

- Fixed remuneration: emolument of €16,575.34

Nicoletta Giadrossi (in office until 20 April 2023)

- Fixed remuneration: emolument of €16,575.34
- Remuneration & Appointments Committee: as Chairman €13,561.64

Raffaella Pagani (in office until 20 April 2023)

- Fixed remuneration: emolument of €25,315.07

**TABLE 3B - CASH INCENTIVE PLANS FOR MEMBERS OF THE BOARD OF DIRECTORS, GENERAL MANAGERS AND OTHER KEY MANAGEMENT PERSONNEL**

A	B	1	2A		2B	2C	3A	3B	3C	4
			PAYABLE/ PAID	DEFERRED (*)	DEFERRAL PERIOD	NO LONGER PAYABLE	PAYABLE/ PAID	STILL DEFERRED		
NAME AND SURNAME	ROLE	PLAN	BONUS FOR THE YEAR			BONUS FOR PREVIOUS YEARS			OTHER BONUSES	
			Matteo Tiraboschi	Executive Chairman						
(I) Remuneration in company drawing up financial statements		MBO 2023	1,300,000.00							
		LTIP (2022-2024)		1,300,000.00				1,250,000.00		
(II) Remuneration from subsidiaries and associates										
(III) Total			1,300,000.00	1,300,000.00	0.00	0.00	0.00	1,250,000.00	0.00	
Daniele Schillaci	Chief Executive Officer									
(I) Remuneration in company drawing up financial statements		MBO 2023	1,300,000.00							
		LTIP (2022-2024)		1,300,000.00				1,300,000.00		
(II) Remuneration from subsidiaries and associates										
(III) Total			1,300,000.00	1,300,000.00	0.00	0.00	0.00	1,300,000.00	0.00	
Cristina Bombassei	Director									
(I) Remuneration in company drawing up financial statements		MBO 2023	103,468.49							
		LTIP (2022-2024)		57,482.00				53,893.00		
(II) Remuneration from subsidiaries and associates										
(III) Total			103,468.49	57,482.00	0.00	0.00	0.00	53,893.00	0.00	
Roberto Vavassori	Director									
(I) Remuneration in company drawing up financial statements		MBO 2023	165,692.38							
		LTIP (2022-2024)		138,077.00				130,000.00		
(II) Remuneration from subsidiaries and associates										
(III) Total			165,692.38	138,077.00	0.00	0.00	0.00	130,000.00	0.00	

(*) The amount in column 2B is the face value for the reference year of the 2022-2024 LTIP against the achievement of the target objectives set. Moreover, it should be noted that the 2022-2024 LTIP is a closed, non rolling plan. The figure in column 2B thus represents the value assigned to the year of reference and not the overall plan value.

SCHEME 7-TER OF TABLE 1**SHAREHOLDINGS OF MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS, GENERAL MANAGERS AND OTHER KEY MANAGEMENT PERSONNEL**

NAME AND SURNAME	ROLE	SHAREHOLDING IN	NUMBER OF SHARES HELD AT END OF PREVIOUS FINANCIAL YEAR (2022)	NO. OF SHARES ACQUIRED	NO. OF SHARES SOLD	NUMBER OF SHARES HELD AT END OF FINANCIAL YEAR (2023)
Cristina Bombassei	Executive Director	Brembo S.p.A.	91,218,398.55 ^(*) Indirect ownership, of which: • bare ownership of no. 53,657,881.50 shares • full ownership no. 37,560,517.05 shares			91,218,398.55 ^(*) Indirect ownership, of which: • bare ownership of no. 53,657,881.50 shares • full ownership no. 37,560,517.05 shares
Roberto Vavassori	Executive Director	Brembo S.p.A.	9,370			9,370
Giancarlo Dallera	Executive Director	Brembo S.p.A.	11,600 30,000 Indirect ownership Malva S.r.l.	41,100		52,700 30,000 Indirect ownership Malva S.r.l.

(*) The number of shares reported in the table is calculated in proportion to the interest held by C. Bombassei in the share capital of Nuova FourB S.r.l., which in turn holds 178,859,605 ordinary Brembo shares, equal to 53.563% of Brembo S.p.A.'s share capital.

ATTACHMENTS

RECONCILIATION OF REGULATORY REQUIREMENTS WITH THE REPORT ON THE REMUNERATION POLICY AND REMUNERATION PAID

SECTION I – REMUNERATION POLICY

With reference to the members of the Board of Directors, the General Managers and other Key Management Personnel, this section contains at least the following information:

a)	the bodies or parties involved in the preparation, approval and possible revision of the remuneration policy, specifying the respective roles and the bodies or parties responsible for correctly implementing said policy	Pages 17-21
b)	any intervention of a remunerations committee or other committee competent on the matter, describing its members (differentiating between non-executive and independent directors), its competences and its operating methods, and any other measures aimed at avoiding or managing any conflict of interests;	Pages 13-15
c)	how the company has kept into account the compensation and the work conditions of its own employees in the determination of the remuneration policy	Pages 21
d)	the name of any independent experts who may be involved in preparing the remuneration policy	Pages 14; 17
e)	the purposes pursued with the remuneration policy, the principles underlying it, the duration and, in case of revision, the description of the changes with respect to the last remuneration policy submitted to the shareholders' meeting and how this revision keeps into account the votes and the evaluations of the shareholders expressed in the course of such meeting or afterwards	Pages 7-8; 21
f)	the description of policies concerning fixed and variable components of remuneration, with specific regards to the indication of the related weight under the scope of total salary and distinguishing between short- and long-term variable components;	Pages 22-30
g)	the policy applied with regard to non-monetary benefits;	Pages 11; 24
h)	with reference to the variable components, a description of the financial and non-financial performance objectives, if appropriate, keeping into account criteria of social corporate responsibility on which base they are assigned, distinguishing between short- and long-term variable components, and information on the connection between the variation of results and the variation of remuneration	Pages 25-30
i)	the criteria used to evaluate achievement of the performance objectives underlying the assignment of shares, options, other financial instruments or other variable components of remuneration, specifying the variable remuneration portion that is assigned on the basis of the level of objectives achieved	Pages 26-30
j)	information aimed at highlighting the contribution of the remuneration policy and, in particular, of the policy on the variable components of remuneration, to the company strategy, the pursuit of the company's long-term interests and the company sustainability;	Pages 4-5; 6-8; 21
k)	the terms for the maturity of rights ("vesting period"), any deferred payment systems, indicating the period of deferral and the criteria used to determine such periods and, if applicable, ex-post correction mechanisms of the variable component (malus or reimbursement of variable components, i.e., "claw-back");	Pages 28-30; 32
l)	information on any provision of clauses for holding financial instruments in the portfolio after purchase, with the indication of the periods for which such instruments may be held and the criteria used to determine such periods	Not applicable
m)	the policy relating to treatments established in the event of termination of office or employment, specifying: <ul style="list-style-type: none"> i) the duration of any employment contracts and other agreements, the notice period, if applicable, and what circumstances determine the onset of the right; ii) the criteria to determine the remuneration of the members of the board of directors, general managers and, at aggregate level, the executives with strategic responsibilities, differentiating, if applicable, the components assigned in reference to a director's office from those assigned in reference to an employment position, as well as the components assigned in consideration of any non-competition commitments. Where these compensations are expressed in yearly amounts, indicate in a detail manner the components of such annual compensations (fixed, variable, etc.); iii) any connections between these compensations and the company performance levels; iv) any effects of employment termination on the rights assigned within the context of financial instrument-based incentive plans or to be disbursed as cash; v) any possibility of assignment or maintenance of non-monetary benefits in favour of the parties concerned or stipulation of consulting contracts for a period subsequent to the termination of the employment contract; 	Pages 31



n)	information on the presence of any insurance coverage or social security or pension plans, other than compulsory ones;	Pages 11; 24
o)	any remuneration policy applied with reference: (i) to independent directors; (ii) to committee membership; and (iii) to the carrying out of specific duties (chairman, etc.);	Pages 22-23
p)	if the remuneration policy has been defined using the salary policies of other companies as reference and, if so, the criteria used for the choice and selection of such companies;	Pages 17; 26
q)	the elements of the remuneration policy which, if exceptional circumstances occur, can be departed from and, without prejudice to Regulation no. 17221 of 12 March 2010, any other procedural conditions based upon which the departure can apply;	Pages 18-19
o)	in reference to the members of control bodies, without prejudice to the provisions of Article 2402 of the Italian Civil Code, the section describes any criteria for the determination of compensation. If, in view of the preparation by the shareholders, for submission to a general meeting, of proposals on the compensation of the control body, the outgoing control body has transmitted to the company detailed information on the quantification of the commitment required for the performance of the office, the section contains a summary of such detailed information.	Pages 26

SECTION II – REMUNERATION PAID – PART ONE

Part one provides a suitable, clear and comprehensible representation of each of the items comprising remuneration, including treatment provided for in the event of termination of office or termination of employment, highlighting the coherence with the relevant remuneration policy and the modalities by which the remuneration contributes to the company's long-term results. With regard to the variable components, information is provided on the modalities by which the performance objectives of the relevant remuneration policy are applied. In particular, for the subjects whose compensation components are indicated individually, as represented at the preceding paragraph 1, letters a) and b), of this Section, information is provided on the objectives achieved in respect of those planned, without prejudice to the right of the companies to omit such information if necessary in order to protect the confidentiality of commercially sensitive information or unpublished provisional data, specifying the reasons for this choice. Furthermore, information is provided on the percentage of the fixed and variable remuneration components in respect of the total remuneration, specifying the elements considered in the calculation, including by means of referral to the Tables in the second part of this Section. With regard to financial instrument-based incentive plans, detailed information may also be provided by means of referral to the information contained in the compensation plans established by Article 114-bis of TUF.

In case of assignment of indemnities and/or other benefits in the event of termination of office or employment in the course of the year, the companies specify:

In case of assignment of indemnities and/or other benefits in the event of termination of office or employment in the course of the year, the companies specify:

• the circumstance giving rise to their maturity;	Not applicable
• the compensations for termination of office or of the employment, differentiating the portion paid up-front from the portion possibly subject to deferral mechanisms, and the components assigned in reference to a director's office from those assigned in reference to an employment position, as well as the components assigned in consideration of non-competition commitments;	Not applicable
• any presence of performance criteria to which the assignment of indemnity is linked;	Not applicable
• any effects of the termination of the employment on rights assigned as part of financial instrument-based incentive plans or to be disbursed as cash;	Not applicable
• any existence of agreements providing for the assignment or maintenance of non-monetary benefits in favour of parties who have ceased their office or the stipulation of consulting contracts for a period subsequent to the termination of employment, specifying the related amount;	Not applicable
• any other compensation assigned on any ground and in any form whatsoever;	Not applicable
• the compliance of the indemnity and/or other benefits with the indications of the relevant remuneration policy.	Not applicable

The companies provide information on departures from the remuneration policy in case of exceptional circumstances, indicating (for each instance):

• the specific elements departed from and the relevant remuneration policy that provided for the right to depart;	Not applicable
• information on the nature of the exceptional circumstances, including an explanation of how the departure is necessary to pursue the company's long-term interests and sustainability as a whole or to protect its ability to stay in the market;	Not applicable
• information on the procedure followed and the confirmation of the compliance of such procedure with the conditions indicated in the relevant remuneration policy;	Not applicable
• information on the remuneration paid in such exceptional circumstances.	Not applicable

The companies provide information on any application of ex-post correction mechanisms of the variable component (malus or reimbursement of variable components, i.e., clawback), indicating in summary the reasons, the amount being corrected and the relevant financial year of the compensations subject to the measures. The aforementioned information is provided on an individual basis in relation to the subjects indicated at the preceding paragraph 1, letters a) and b), of this Section, and at aggregate level for the key management personnel other than those indicated in letter b), paragraph 1, of this Section.

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The companies provide comparison information, in relation to the last five financial years, or shorter period of listing of the company or office of the subjects concerned, on the annual variations:

- in the total remuneration of each subject in relation to whom the information referred to in this section of the Report is provided on an individual basis; **Pages 37-38**
- in the company results; **Pages 37-38**
- in the average annual gross salary, for full-time employment, of the employees other than those whose remuneration is indicated on an individual basis in this section of the Report. **Pages 37-38**

Le società forniscono informazioni su come abbiano tenuto conto del voto espresso dall'assemblea sulla seconda sezione della Relazione dell'esercizio precedente, **Pages 39**

REGULATORY FRAMEWORK

This document was drawn up in accordance with Article 123-ter of Legislative Decree No. 58 of 24 February 1998 (the so-called “Consolidated Law on Finance” or “TUF”), in its most recent version as amended by Legislative Decree No. 49 of 10 May 2019, which establishes that “at least twenty-one days prior to the date of the shareholders’ meeting [...] companies with listed shares shall make a report on the policy regarding remuneration and fees paid available to the public at the company registered offices, on its internet website or in any of the other ways established by CONSOB regulation.”

This Report on the Remuneration Policy was also drawn up in compliance with Consob Resolution No. 21263 of 10 December 2020, which amended Article 84-quater of the Consob Issuers’ Regulation enacting the aforementioned TUF.

Article 123-ter, paragraph 3-ter, of TUF, as amended by Legislative Decree No. 49 of 10 May 2019, sets out that the Shareholders’ Meeting shall pass a favourable or unfavourable resolution on Section I of the Report on the Remuneration Policy and Remuneration Paid and that “the resolution provided for by paragraph 3-bis is binding.”

Article 123-ter, paragraph 6, of TUF, sets out instead that the Shareholders’ Meeting, convened pursuant to Article 2364, paragraph 2, or Article 2364-bis, paragraph 2, of the Civil Code, shall pass a favourable or unfavourable Resolution on Section II of the Report established by paragraph 4. Said resolution “is not binding”, but the “outcome of voting is made available to the public.” This rule is designed to provide the market with comprehensive, prompt information as to the remuneration policies and emoluments adopted by the Company.

The Report on the Remuneration Policy and Remuneration Paid included in this document was defined on the basis of the principles and application criteria established by Article 5 (“Remuneration”) of the Corporate Governance Code issued by Borsa Italiana (version of January 2020).

It bears also noting that this Report on the Remuneration Policy and Remuneration Paid was drawn up in accordance with Article 4.4.3, paragraph ii), of the Related Party Transactions Procedure, approved for the first time by Brembo S.p.A.’s Board of Directors on 12 November 2010, and updated as required and in full compliance with regulations in force.

GLOSSARY

Chief Executive Officer (CEO): this is the member of the Board of Directors whom the Board confirmed on 20 April 2023 the management functions and delegated powers granted by resolution dated 6 June 2011, and reconfirmed on 20 April 2023 upon the most recent renewal of the corporate bodies. Since 1 July 2019, Daniele Schillaci has been the Chief Executive Officer of Brembo S.p.A.

Executive Directors: Matteo Tiraboschi, Daniele Schillaci, Cristina Bombassei and Roberto Vavassori.

Directors holding special offices: Matteo Tiraboschi and Daniele Schillaci.

On-target Annual Total Direct Compensation: total guaranteed gross fixed remuneration plus the annual variable remuneration for the short-term plan upon achievement of the objectives and the portion of variable remuneration for the long-term remuneration plan on reaching target values.

General Shareholders' Meeting: this is the Company's collective decision-making body. All voteholders are represented at the GSM, directly or by proxy. It holds the powers allocated to it by law and the By-laws. The main among such powers are to approve the Financial Statements, and appoint and remove Directors, the Board of Statutory Auditors and its Chair. With reference to the Remuneration Policy, it expresses a binding opinion on Section I and a non-binding opinion on Section II of the Report on the Remuneration Policy and Remuneration Paid.

C-Suite: all holders of officer-level positions reporting to the Executive Chairman and the Chief Executive Officer of Brembo S.p.A.

Clawback: these are contractual agreements that allow the Company to claim the return of all or part of variable remuneration components paid based on results subsequently found to be incorrect due to the recipient's negligent or grossly negligent conduct or conduct in breach of the relevant standards (company, legal, regulatory, etc.), without which the results would not have been achieved.

Corporate Governance Code: this is the Corporate Governance Code for listed companies issued by Borsa Italiana S.p.A., approved in December 2011 (the latest edition available is that updated in 2020) by the Corporate Governance Committee. The Code is promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria. The document includes a series of indications about the best practices for the organisation and functioning of Italian li-

sted companies. These recommendations are not binding, although listed companies must "inform the market and their shareholders about their governance structure and the degree to which the Code is adopted."

Board of Statutory Auditors: this is the internal control body within the Company responsible for the monitoring and control functions required by applicable laws and regulations. It expresses an opinion during the definition process of the Remuneration Policy for Executive Directors in conjunction with the Remuneration & Appointments Committee.

Audit, Risk & Sustainability Committee: this is a Board Committee set up in accordance with Article 6 of the Corporate Governance Code. It consists of Independent Directors or, alternatively, of Non-executive directors, with a majority also being independent. Its role is to support the Board of Directors, on the basis of an appropriate preliminary process, in its evaluations and decisions concerning the internal control system and risk management, and the approval of the periodic financial reports.

Remuneration & Appointments Committee: this is a Board Committee charged with, inter alia, submitting a proposal to the Board of Directors on a general Remuneration Policy for Executive Directors.

Board of Directors (Board; BoD): this is a collective body that is entrusted with managing the Company. The Board of Directors of Brembo S.p.A. in office for the period 2023-2025 is comprised of 11 Directors: Matteo Tiraboschi (Executive Chairman), Daniele Schillaci (Chief Executive Officer), Cristina Bombassei, Roberto Vavassori, Giancarlo Dallera, Manuela Soffientini, Michela Schizzi, Umberto Nicodano, Gianfelice Rocca, Elizabeth M. Robinson and Elisabetta Magistretti. It is in charge of approving the Remuneration Policy proposed by the Remuneration & Appointments Committee and submitting it to the General Shareholders' Meeting for examination and passing of all the relevant resolutions pursuant to Article 123-ter of TUF.

Key Management Personnel: individuals who are granted specific powers and responsibilities by the Board of Directors to, directly or indirectly, plan, direct and control the Company's activities, including the Directors (executive and otherwise) of the entity and the members of the Board of Statutory Auditors. Based on this definition, Brembo S.p.A. has identified the roles of Executive Chairman and the Chief Executive Officer (CEO) as falling within this category, and therefore 2 individuals listed herein.

EBITDA: the Group's result before interest, taxes, depreciation and amortisation.

EC: Executive Chairman.

Economic Value Added - EVA: this indicates the economic growth of a company over time, defined as NOPAT (Invested Net Capital *WACC %).

Entry Gate: this is the minimum level to reach, below which the plan does not allow the pay-out of any incentives.

ESG: acronym for Environmental, Social, Governance.

Free Operating Cash Flow: Group's Operating Cash Flow as approved by the Board of Directors and determined by EBITDA + Net Investments + Changes in Working Capital.

LTIP: Long-Term Incentive Plan. This plan gives its beneficiaries the opportunity to earn a multi-year cash bonus based on objectives set for the Company.

On-target objective: this is the standard level for an objective to be achieved and to receive 100% of the incentive (without changing the multiplying or discretionary parameters). For the minimum acceptable objective, see "Entry Gate".

Net Financial Position: the difference between financial payables and receivables, including the Group's cash and cash equivalents.

Executive Chairman: the Chairman of the Board of Directors of Brembo S.p.A. appointed by the General Shareholders' Meeting, and to whom on 20 April 2023 the Board confirmed the related management functions and powers. The Executive Chairman of Brembo S.p.A. is Matteo Tiraboschi.

Gross Annual Base Salary (RAL): this is the fixed annual amount received, including the portion of taxes and social security contributions borne by the employee, without any annual bonuses, other bonuses, indemnities, fringe benefits, expense refunds and any other form of variable or one-off remuneration.

Issuers' Regulation: Consob Regulation No. 11971 of 14 May 1999 (as further amended), containing the rules governing issuers of financial instruments.

Regulation on Related Party Transactions: this is Consob Regulation No. 17221 of 12 March 2010, which identifies the rules for related party transactions (as defined in Annex 1 of the said document).

Report: Brembo Group's Report on the Remuneration Policy and Remuneration Paid.

Shareholder: an individual or entity holding shares in the Company.

Annual Incentive System or MBO (Management by Objectives): this is the Plan that grants the plan beneficiaries the right to receive an annual cash incentive, based on the objectives set for each employee and the annual incentive Plan in place.

Stakeholder: any party that is a stakeholder in a company.

Consolidated Law on Finance (TUF): this is Legislative Decree No. 58 of 24 February 1998, as amended. It introduced a series of principles ("general guidelines"), with the specific regulations issued by the Regulator (Consob).

