
6 • DIVIDEND POLICY

Brembo N.V. (the “**Company**”) intends to retain part of its future net income in order to fund the growth and development of its business.

The Company may only make distributions to its shareholders insofar its equity exceeds the amount of the paid in and called-up part of the issued capital plus the reserves as required to be maintained by Dutch law. The Board of Directors (bestuur) of the Company (the “**Board of Directors**”) may, subject to Dutch law and the articles of association (statuten), resolve to pay a dividend on the shares from one or more of the reserves which do not need to be maintained pursuant to Dutch law. Because the Company is an industrial holding company that conducts its business directly and through its subsidiaries, the Company’s ability to pay dividends will also depend on its subsidiaries’ distributions to the Company. The amount and timing of any dividend distributions will however depend on the laws of the subsidiaries’ respective jurisdictions.

Every year the Board of Directors will determine which part of the profits will be added to reserves, taking into account the financial condition, earnings, cash needs, working capital developments, capital requirements (including requirements of its subsidiaries) and any other factors that the Board of Directors deems relevant in making such a determination.

The ability and intention of the Company to declare and pay dividends in the future will mainly depend on its financial position, results of operations from the Company and its subsidiaries, investment prospects, the existence of distributable reserves and available liquidity and such other factors as the Board of Directors may deem relevant.

CHANGES TO THE POLICY

The Board of Directors is authorised to adopt and amend this policy. The adoption and thereafter each amendment of the policy on reserves and dividends shall be discussed and accounted for at the general meeting of the Company under a separate agenda item.