

# TURNING ENERGY INTO INSPIRATION

## CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE REPORT 2023

pursuant to Article 123-*bis* of the Consolidated Law on Finance

## **Brembo S.p.A.**

---

Registered offices: CURNO (BG) – Via Brembo 25 – Italy  
Share capital: €34,727,914.00 – Bergamo Register of Companies  
Tax code and VAT Code No. 00222620163

**CORPORATE GOVERNANCE  
AND OWNERSHIP  
STRUCTURE REPORT**  
2023

# CONTENTS

<b>Glossary</b>	<b>4</b>
<b>1. Company Profile</b>	<b>6</b>
1.1. 2023 Report's Main New Contents	6
1.2. Governance Model	6
1.3. Company Key Highlights	12
1.4. 2019-2023 Stock Performance	12
<b>2. Information on Ownership Structure at 31 December 2023</b>	<b>13</b>
2.1. Structure of Share Capital	13
2.2. Significant Shareholdings	13
2.3. Increased Voting Right	14
2.4. Change of Control Clauses	15
2.5. Power to Increase the Share Capital	15
2.6. Authorisation to Buy Back Own Shares	15
2.7. Direction and coordination	16
<b>3. Compliance with the 2020 Corporate Governance Code (pursuant to Article 123-bis, paragraph 2(a), of TUF)</b>	<b>17</b>
<b>4. Board of Directors</b>	<b>20</b>
4.1. Role of the Board of Directors	20
4.2. Appointment and Replacement of Company Directors	23
4.3. Composition of the Board of Directors for the three-year period 2023-2025	24
4.4. Diversity Criteria and Policies in the Composition of the Board and the Company's Organisation	29
4.5. Maximum Number of Positions Held at Other Companies	32
4.6. Induction Programme	33
4.7. Functioning of the Board of Directors	34
4.8. Role of the Chairman of the Board of Directors	35
4.9. Executive Directors	37
4.10. Independent Directors	39
4.11. Lead Independent Director	40
<b>5. Handling of Corporate Information</b>	<b>41</b>
5.1. The EU provisions on market abuse	41
5.2. Procedure for Handling Inside and Relevant Information	41
5.3. Internal Dealing Procedure	42
5.4. Procedure for Handling the Insider Register and the Relevant Information List (RIL)	42
<b>6. Board Committees</b>	<b>44</b>

<b>7. Self-assessment and Succession of Directors</b>	<b>45</b>
7.1. Board Performance Evaluation	45
7.2. Succession plans	46
<b>8. Remuneration of Directors and of the Remuneration &amp; Appointments Committee</b>	<b>47</b>
8.1. Remuneration of Directors	47
8.2. Remuneration & Appointments Committee	47
<b>9. Internal Control and Risk Management System</b>	<b>50</b>
9.1. Executive Director in charge of the Internal Control and Risk Management System	54
9.2. Audit, Risk & Sustainability Committee (also acting as the Related Party Transactions Committee)	55
9.3. Chief Internal Audit Officer	58
9.4. Organisational Model according to Legislative Decree No. 231/2001	59
9.5. Independent Auditors	65
9.6. Manager in charge of the Company's financial reports	65
9.7. Coordination between parties involved in the Internal Control and Risk Management System	66
<b>10. Directors' Interests and Related Party Transactions</b>	<b>67</b>
10.1. Conflict of interests	67
10.2. Related Party Transactions Procedure	67
10.3. Activities of the Related Party Transactions Committee carried out in 2023	69
<b>11. Appointment of Statutory Auditors</b>	<b>70</b>
11.1. Appointment and replacement of Statutory Auditors	70
11.2. Composition and functioning of the Board of Statutory Auditors	71
11.3. Board of Statutory Auditors' Diversity Policies and Criteria and ensuing application	73
11.4. Board of Statutory Auditors' duties and activities	74
11.5. Activities carried out in 2023	74
11.6. Self-assessment process of the Board of Statutory Auditors carried out in 2023	76
<b>12. Relations with Shareholders – Brembo Shareholder Engagement Policy</b>	<b>77</b>
<b>13. General Shareholders' Meetings</b>	<b>79</b>
<b>14. Further corporate governance initiatives (pursuant to Article 123-bis, paragraph 2(a), of TUF)</b>	<b>81</b>
14.1. Introduction of the role of Chairman Emeritus and setting up of the Strategic Steering Committee	81
<b>15. Changes after 31 December 2023</b>	<b>82</b>
<b>16. Remarks on the Letter from the Chair of the Corporate Governance Committee of 14 December 2023</b>	<b>83</b>

# GLOSSARY

**Brembo/Issuer/Company:** Brembo S.p.A., with registered offices in Curno (Bergamo), Via Brembo 25, tax code and VAT code No. 00222620163, listed on the Milan stock exchange.

**2020 Corporate Governance Code or 2020 CGC:** the Corporate Governance Code, approved by the Corporate Governance Committee and published in January 2020, which issuer Companies are required to apply with effect from the first year beginning after 31 December 2020.

**Civil Code:** the Italian Civil Code.

**Board/Board of Directors/BoD:** the Board of Directors of Brembo S.p.A.

**Financial year:** the financial year which the Report refers to, specifically the financial year ended 31 December 2023.

**Group:** the Brembo Group.

**Borsa Italiana Instructions:** Instructions on the Rules of the Markets organised and managed by Borsa Italiana S.p.A.

**Brembo Corporate Governance Code or Brembo CGC:** the document defining Brembo's corporate governance rules, fully incorporating the 2020 Corporate Governance Code. The latest update as of 16 December 2022 is available on Brembo's website ([www.brembo.com](http://www.brembo.com), Company section, Corporate Governance, Governance Documents).

**Brembo's 231 Model:** the Organisational, Management and Control Model according to Legislative Decree No. 231/2001 of Brembo S.p.A. – Fifth Edition (last update: November 2023), available on Brembo's website in its latest update ([www.brembo.com](http://www.brembo.com), Company section, Corporate Governance, Codes & Policies).

**Related Party Transaction Procedure:** the Related Party Transaction Procedure adopted by Brembo S.p.A. (last update: 10 May 2021) pursuant to Consob Regulation adopted with Resolution No. 17221 of 12 March 2010, and further

amended by Resolution No. 21624 of 10 December 2020 (in force with effect from 1 July 2021 – implementing Directive EU 2017/828); the Procedure is available on Brembo's website in its latest update ([www.brembo.com](http://www.brembo.com), Corporate Governance, Governance Documents).

**Consob Regulation on Related Party Transactions:** Consob Regulation introduced by Resolution No. 17221 of 12 March 2010, as lastly amended by Consob Resolution No. 21624 of 10 December 2020.

**SC:** Brembo S.p.A.'s Supervisory Committee.

**Regulations of the BoD:** the Regulations of the Board of Directors governing its formation, composition and functioning, adopted for the first time by the Board of Directors on 3 March 2017, after having heard the opinion of the Remuneration & Appointments Committee and subsequently amended in accordance with the laws and regulations from time to time in force, as well as with the recommendations of the Corporate Governance Code (most recently amended on 16 December 2022).

**Rules of Borsa Italiana:** the Rules of the Markets organised and managed by Borsa Italiana S.p.A., as further amended and extended.

**Issuers' Regulation:** the Issuers' Regulation issued by Consob with Resolution No. 11971 of 1999, as further amended and extended.

**Market Regulation:** the Market Regulation issued by Consob with Resolution No. 20249 of 2017.

**Report:** the Corporate Governance and Ownership Structure Report pursuant to Articles 123-*bis* of TUF and 89-*bis* of the Issuers' Regulation, approved on 5 March 2024 by the Board of Directors of Brembo and available on Brembo's website ([www.brembo.com](http://www.brembo.com), Company section, Corporate Governance, Corporate Governance Reports).

**Remuneration Report:** the Report on the Remuneration Policy for 2024 and Remuneration Paid in 2023, pursuant

to Article 123-ter of TUF, which is available on Brembo's website ([www.brembo.com](http://www.brembo.com), section Company, Corporate Governance, Remuneration Policies).

**By-laws:** the By-laws of Brembo S.p.A., in the current applicable version, amended by the Extraordinary Shareholders' Meeting of 27 July 2023<sup>1</sup>, available on Brembo's website ([www.brembo.com](http://www.brembo.com), Company section, Corporate Governance, Governance Documents).

**ICRMS:** Internal Control and Risk Management System.

**TUF:** Italian Legislative Decree No. 58 of 24 February 1998 (Consolidated Law on Finance), as further amended and extended.

*Where not otherwise specified, reference should also be made to the definitions included in the 2020 Corporate Governance Code.*

<sup>1</sup> Amendment to Article 5 (Share capital).

# 1. COMPANY PROFILE

Brembo leads the world in the design and production of high-performance braking systems and components for top-flight manufacturers of cars, motorbikes and commercial vehicles. Founded in 1961 in Italy, Brembo has a long-standing reputation for providing innovative solutions for OEMs and the aftermarket. Guided by its strategic vision — “Turning Energy into Inspiration” — Brembo’s

ambition is to help shape the future of mobility through cutting-edge, digital and sustainable solutions. With over 15,000 people across 15 countries, 32 production and business sites, 9 R&D centres, Brembo is the trusted solution provider for everyone who demands the best driving experience.

## 1.1. MAIN CONTENTS OF THE 2023 REPORT

This Report, approved by the Board of Directors on 5 March 2024, provides a general description of the corporate governance system adopted by Brembo, its ownership structure and quantitative and qualitative information on the functioning of the Board of Directors, the Board Committees and its Internal Control and Risk Management System. It illustrates the methods through which the Company has applied the principles included in the 2020 Corporate Governance Code.

This Report — prepared in accordance with the format proposed by Borsa Italiana (IX edition - January 2022) is available on the Company’s website ([www.brembo.com](http://www.brembo.com), section Company, Corporate Governance, Corporate Governance Reports) and through the authorised storage mechanism ([www.1info.it](http://www.1info.it)).

<b>2023 HIGHLIGHTS</b>	<b>REFERENCE PARAGRAPHS</b>
Cross-Border Conversion	1.2
Sustainable Success	1.2 and 4.1
Adoption of the 2020 Corporate Governance Code and related departures	3
Professional profiles of the Directors and Statutory Auditors currently in office	4.3 and 11.2
Description of the Board of Directors’ activities in 2023	4.1.1
2023 Board Performance Evaluation and ensuing results	7.1
2023 Induction Program	4.6
Internal Control and Risk Management System	9
Brembo Shareholder Engagement Policy and activities performed in 2023	12
Remarks on the Letter from the Chairman of the Corporate Governance Committee of 14 December 2023	16

## 1.2. GOVERNANCE MODEL

### GOVERNANCE SYSTEM

Brembo S.p.A., a Company listed on the Milan stock exchange, has adopted a traditional form of administration and control as provided for by Italian laws: the Company’s management is attributed to the Board of Directors, the supervisory functions to the Board of Statutory Auditors, and the statutory and accounting audit of the Company’s accounts to the Independent Auditors appointed by the General Shareholders’ Meeting.

In order to promote a corporate governance model that devotes constant attention to all stakeholders, while also anticipating new needs and the most impactful trends, Brembo:

- constantly monitors governance principles and models generally adopted at the European and international level that represent best practices in the area of corporate governance;
- reviews the results of the analyses and of the most authoritative observatories on the subject of corporate

governance, in Italy and abroad, and compares them with its own structural and organisational elements, for purposes of continuous improvement.

For this reason, the Corporate Governance System of Brembo has always been inspired by and fully implements the recommendations issued from time to time by the Corporate Governance Committee<sup>2</sup>, which have been incorporated into Brembo's Corporate Governance Code, as well as in the Regulations of the BoD and the rules of its Committees (see paragraph 3).

---

### **CROSS-BORDER CONVERSION**

On 20 June 2023, the Board of Directors of Brembo S.p.A. resolved to submit to the Extraordinary Shareholders' Meeting the proposal to transfer the Company's registered office to The Netherlands, adopting the legal form of a public company with limited liability N.V. (*naamloze vennootschap*), governed by the laws of The Netherlands (hereinafter also the "Cross-Border Conversion" or the "Transaction"), retaining its tax residence in Italy and maintaining its shares listed on Borsa Italiana's Euronext Milan ("Euronext Milan").

The General Shareholders' Meeting held on 27 July 2023 therefore approved the proposal for the Cross-Border Conversion and the Company started all the necessary activities required under applicable legislation in force.

The Cross-Border Conversion will become effective on 24 April 2024 (see paragraph 15).

The Transaction will allow Brembo to strengthen its international drive and have a solid basis for its further development at global level, while retaining its Italian identity and its historic presence in Italy. In its more than 60 years of history, Brembo's growth journey has led the Company to achieving an increasingly global dimension, developing and concentrating its turnover primarily in North America, Europe and China. Faced with a rapidly changing automotive market, Brembo has therefore long adopted a development strategy and is gradually expanding the range of its solutions through extensive investments in support of the Company's competitiveness. The goal is to ensure that Brembo, among other things, continues to grow and maintains its leading role in the automotive component market

at the global level.

The Cross-Border Conversion thus aims to support this strategy by creating conditions suited to Brembo's future growth, including on a non-organic basis, for the benefit of its shareholders and stakeholders.

Said Transaction will allow Brembo to benefit from a legal framework capable of enhancing the Group's global business dimension. In detail, Brembo will offer its shareholders a strengthened increased voting right mechanism compared to the current one. This will ensure an even more solid shareholder base and higher flexibility in pursuing growth opportunities via acquisitions that can be made through the issue of new shares.

For further information on the Cross-Border Conversion, reference is made to the Explanatory Report to the Shareholders' Meeting and the related minutes, as well as to the press releases published by the Company on the authorised storage system 1INFO-storage and on the website at: [www.brembo.com/en/investors/for-shareholders/registered-office-relocation](http://www.brembo.com/en/investors/for-shareholders/registered-office-relocation).

---

### **SUSTAINABLE SUCCESS<sup>3</sup> AND CORPORATE SOCIAL RESPONSIBILITY**

Corporate social responsibility is not an abstract concept for Brembo, rather it is rooted in its culture and corporate strategy. The principles driving the Group's Sustainable Development and Corporate Social Responsibility originated with Brembo and grew and developed over time with it through daily concrete practices, designed to balance economic decisions against an assessment of their social and environmental impact, while always taking account of the expectations of all Group stakeholders.

Over the years, Brembo has made sustainability its distinctive characteristic, increasingly integrating it into the Group, and making it indissolubly tied to its business development and size growth. Sustainability is part of Brembo's new strategic vision — "Turning Energy Into Inspiration" — within the framework of the "Cool Brand" pillar.

This approach — which has effectively become Brembo's *modus operandi* — is the culmination of a long process which saw the Group involved since the Nineties, when

<sup>2</sup> Reference is made to the Corporate Governance Code issued in January 2020 by the Corporate Governance Committee.

<sup>3</sup> For further information see the Company's website ([www.brembo.com](http://www.brembo.com), Sustainability section).

these issues were not yet paid much attention. At that time, Brembo carried out the intangibles valuation — a tool aimed at measuring its ability to create value — not only in economic terms, but also considering the social and environmental impacts, employment protection, enhancement of human resources, promotion of employee safety and capacity for growth and innovation. In 1999, this process was formalised with the preparation of the first Intangible Capital Report and continued between 2004 and 2007 with the publication of the Value Report, describing the inter-relationship between the Group's economic results and its environmental and social performance. The reporting process continued over the next years through the inclusion of the sustainability performance in the Company's business model with an in-depth analysis, included in the Report on Operations, of aspects regarding the global macro-economic scenario, safety and environmental risks, company organisation, research and human resources.

Today, 10 years after the function entrusted with management of sustainability matters was set up, the Group reports its environmental and social performance within its Disclosure of Non-Financial Information, which also includes all the policies that have always been part of its actions at global level in the areas of compliance, ethics, responsibility, sustainability and transparency. Brembo considers these values to be the foundation of the precious intangible heritage formed by its brand, its reputation and the set of principles that characterise the way in which a socially responsible company acts ([www.brembo.com](http://www.brembo.com), Sustainability section, Report, Report and Presentations section).

Since 2021, Brembo S.p.A. has been a participant in the United Nations Global Compact, the world's largest strategic corporate citizenship initiative that arose from the desire to promote a sustainable global economy, respectful of human and labour rights, environmental protection and the principles of anti-corruption. The Global Compact provides an opportunity to share strategies and good business practices in response to global challenges, to use ESG-related management tools and resources and to be involved in specific working groups.

Brembo S.p.A.'s participation in the Global Compact testifies to its long commitment to sustainability that over the years has featured an increasing focus on numerous fronts and adherence to the 17 Sustainable Development Goals defined by the UN 2030 Agenda (which Brembo endorsed in 2018).

In 2023, Brembo participated in the study by Global Compact Network Italia "Italian Business Commitment towards

Net-zero" conducted in collaboration with IPSOS (a market analysis and research organisation) and presented to an international public for the first time at the COP28 in Dubai. The study aims to outline the state of the art regarding the Climate Action and commitment of Italian companies and, in particular, their contribution to the net-zero target, highlighting the drivers and barriers characteristic of the Italian business community.

Brembo's commitment was also formalised through an amendment to the By-laws (Article 4 "Purpose") by the Shareholders' Meeting on 22 April 2021, on the proposal of Brembo's BoD, designed to enshrine a commitment already pursued by the Group in its By-laws.

To guide its strategic commitment over time, Brembo has prepared its Sustainability Plan, "Turning Sustainability Into Action", and, in this regard, set itself tangible, increasingly ambitious medium-to-long-term goals aimed at continuous improvement in social and environmental matters. In Brembo, sustainability is a way of thinking that also materialises through the definition of a clear strategy that allows the Group to enhance its contribution to a form of economic development compatible with the protection of the environment and people.

On the environmental side, for example, Brembo is committed to responsible production. This has been translated into a plan to constantly reduce emissions thanks to improvements in production facilities through efficient use of energy and the use of renewable energy sources. This plan is part of a broader strategy that also seeks to reinforce the Group's capability to develop net-zero products. The objective is to support the sustainability transition by significantly reducing GHG emissions and the environmental impact of Brembo's production sites. The Group recycles waste materials, aiming to maximise their recovery and to reduce waste production and consumption of energy and natural resources as far as possible.

The environmental commitment is given strategic form through the efforts of the Research and Development area, which focuses on solutions that, from the design stage, take into account the requirements of a market geared towards electrification and automation, as well as the need for sustainability throughout the product life cycle. This commitment is reiterated by the adoption of a circularity-oriented business model, which may generate positive impacts in terms of reducing the environmental footprint (e.g., greenhouse gas emissions), both downstream and upstream the value chain, associated with the reduction of the use/purchase of virgin materials, while also promoting the design of products made with greater durability and recyclability.

Aware of the influence that environmental impact has on purchasing decisions in the automotive sector, Brembo is committed to developing innovative products with an environmentally sustainable, circular design. In this regard, in 2023 it worked on creating indicators relating to product eco-design, so as to be able to include sustainability from the design phases.

For Brembo, innovation aims to ensure not only increasingly cutting-edge products able to anticipate and meet the new needs typical of the automotive industry, but also products that allow to improve the environmental impact through:

- an increase in the braking system performance, while ensuring maximum reliability and improving comfort through solutions that can reduce braking action noise, vibrations and harshness;
- extension of the life of Brembo's products, while studying and applying new product design rules and minimising disc and pad wear, with a view to eco-design and circular economy;
- abatement of the environmental impact resulting from the use of vehicles in terms of greenhouse gas and particulate emissions, through the reduction of the weight of its products and the control of the dispersion of braking-related dust, but also increasing the share of recycled raw materials, thus contributing to combating the climate change and the consumption of virgin materials;
- implementation of the LCA (Life Cycle Assessment) for all new products, using this tool as a binding step towards the approval of a product, similarly to cost evaluation and technical feasibility;
- reduction of the final weight of vehicles using increasingly lighter alloys to obtain lightweight products;
- enhancement of the style content so as to offer products that can interpret concepts of elegance and prestige, thus becoming new status symbols.

To this end, Brembo has been preparing for almost twenty years, leveraging on an ever greater focus and investment spending on electric braking system and mechatronic product research and development, through the building of competencies applied to systems such as Electric Parking Brake and SENSIFY™, the new pioneering intelligent and more sustainable braking system that integrates the most advanced software based on artificial intelligence with Brembo's brake components.

For Brembo, supply chain management is a priority and is essential to ensuring responsible procurement, with a focus on environmental protection and the rights of workers and local communities. For this reason, Brembo asks for

its model of conduct to be shared and applied also by its supply chain. These principles and values are at the basis of the supplier selection and are formally defined within its Sustainable Procurement Policy. Over the years, the Group has established a structured supplier management process that seeks to promote the development of stable relations with its partners, as well as to ensure continuous innovation and improved quality and sustainability throughout the supply chain.

The Net Zero Supply Chain Program, launched in 2023, is designed to involve suppliers in Brembo's decarbonisation process: suppliers play a key role in that process as much of GHG emissions are related to the supply chain (Scope 3), and collaboration with suppliers is essential to achieving medium-/long-term objectives. The goal of the programme is to obtain widespread expertise throughout the chain and collect primary information regarding carbon emissions. For this same purpose, Brembo uses its supplier portal not only for ordinary data exchanges, but also to stimulate effective communication, the sharing of best practices and the development of greater awareness through themed follow-ups, such as the sharing of a brochure dedicated to conflict minerals, from cobalt to mica.

The engagement of the people who work at Brembo is a fundamental element for the sustainability of its development model. People and their skills are the main pillar for the deployment of the company strategy. In fact, skill strengthening and talent promotion are the primary levers of people development and an enabling factor for the strategy that can anticipate and satisfy the business-related demands and create the Group's identity culture. Brembo makes significant investments in the transversal and technical skills of its personnel, and its training catalogue therefore includes a wealth of content. In 2023, it was expanded to include an e-learning module that makes it possible to delve into sustainability topics.

The adoption of and support for SDGs were shared with all Brembo People worldwide in the third phase of the internal communications campaign "We Support SDGs", launched in 2020 with the aim of exploring and raising awareness of each of the 17 SDGs. Personnel were engaged in describing their daily practices in support of several sustainability aspects in brief videos: "Put Your Face On It" shows each person's commitment to pursuing a more sustainable lifestyle at Brembo and in their private lives.

The remuneration policy approved by the BoD is designed to remunerate the management and personnel for sustainable growth. Brembo thus seeks to reach the new targets

set by this new scenario. In particular, Brembo's Remuneration Policy mainly aims at giving a tangible contribution to the Group's corporate strategy and sustainability, taking into account its medium/long-term strategic guidelines, in order to assure *attraction* and *retention* for all the key roles with the necessary credentials and skills to ensure that value is created for all stakeholders, including Shareholders, employees, customers and suppliers (see paragraph 8).

From the financial standpoint as well, Brembo has begun a process aimed at leveraging the sustainability practices that have always been a part of the Group: in 2020, it obtained a medium-/long-term positive loan of €300 million from BNL of the BNP Paribas Group. The financial terms of the loan improve when constantly monitored and measured precise sustainability milestones are met.

Over the years, Brembo has established an active and constant dialogue with its internal and external stakeholders, based on the values of transparency, trust and consensus in decisions. Thanks to this dialogue the Group has the opportunity to obtain important information about the reference context and receive feedback on its operations, so that it can continually improve the impact of the Company's activities on the environment and on society. Through a process of listening and dialogue, Brembo is able to assess the extent to which it is understanding and satisfying the expectations and interests of its stakeholders by identifying the areas in which to increase its commitment and those in which to confirm the approach adopted. Establishing ongoing, mutually satisfactory dialogue requires the identification of key stakeholders with which to promote periodic discussions and the definition of the most appropriate methods of securing their engagement.

This approach, in particular towards current and/or potential Shareholders and/or Investors, was also applied within the Brembo Shareholder Engagement Policy approved by the Board of Directors convened on 17 December 2021 (see paragraph 12).

In addition, the Board of Directors held on 19 December 2023 approved the new Stakeholder Engagement Policy, which thoroughly defines how Brembo identifies its stakeholders and which are the main feedback/engagement channels and responsibilities.

Brembo has adopted an effective Internal Control and Risk Management System, which is essential for its Sustainable Success. It integrates a 231/2001 Model and a compliance system, which are included among the ESG parameters (with particular regard to the Governance aspect) and that can be seen as sustainability tools, also in light of the many

and significant correlations with the 2030 Sustainable Development Goals (see paragraph 9).

The Group's willingness to operate in an increasingly responsible manner and fully integrate sustainability in its business practices has prompted the implementation at Brembo of a governance system that is dedicated to supervising and managing these topics at global level.

The key figure at the heart of Brembo's sustainability governance is the Chief CSR Officer, a role entrusted to the Director in charge of the Internal Control and Risk Management System. Besides interacting with the Audit, Risk & Sustainability Committee (at its meeting on 20 April 2017, the BoD identified this Committee as the one to be entrusted with supervising all sustainability matters and interactions with all stakeholders, changing its name into Audit, Risk & Sustainability Committee and updating the list of its tasks), the Chief CSR Officer is responsible for proposing, coordinating and deploying social responsibility projects and initiatives, monitoring the action plans of the various organisational units (also in light of external best practices), analysing information documents and stakeholders' requests regarding sustainability-related topics, as well as coordinating activities involved in the drafting of the annual Disclosure of Non-Financial Information.

On the basis of an adequate preliminary analysis, the Audit, Risk & Sustainability Committee supports the Board of Directors in its evaluations and decisions concerning the internal control and risk management system, sustainability matters and interaction with stakeholders. In particular, the Committee analyses and expresses opinions on the sustainability policies and procedures, as well as on company guidelines and goals with related processes linked to social and environmental aspects. Moreover, the Committee monitors sustainability-related international initiatives and actively involves the Group with such initiatives to raise the Company's reputation in the international arena. It also expresses its opinions in relation to the identification of the main corporate risks, particularly those involving sustainability, environmental and social topics. The Committee also analyses and assesses the draft Disclosure of Non-Financial Information, which is submitted for approval to the Board of Directors on a yearly basis.

Brembo has also set up a CSR Committee consisting of the Company's top managers and the Heads of the GCFs that are more closely involved in sustainability matters. The Committee is tasked with determining the Sustainability Guidelines, adopting the related policies, proposing a plan containing the environmental and social strategic objec-

tives, approving the projects submitted by the Chief CSR Officer and validating the preparatory activities needed to launch the sustainability reporting process. The CSR Committee is also required to effectively oversee the stakeholder engagement process and the sustainability-related risks, as well as to assess the draft Disclosure of Non-financial Information.

---

### **2023 MATERIALITY ANALYSIS AND 2023 DISCLOSURE OF NON-FINANCIAL INFORMATION**

To increase the focus of its sustainability strategy and, accordingly, of the contents of the Consolidated Disclosure of Non-Financial Information pursuant to Legislative Decree No. 254/2016 (hereinafter also "NFD") — implementing Directive No. 2014/95/EU as regards disclosure of non-financial and diversity information —, Brembo conducts a materiality analysis aimed at identifying, in relation to its business profile, strategies, stakeholders' expectations and business context, the topics that are deemed relevant to reporting the Company's economic, environmental and social impacts or that can influence the decisions of the Group's stakeholders.

For 2023, the analysis was conducted according to the guidelines published by the Global Reporting Initiative (GRI) Universal Standards 2021, which focus on organisations' (positive, negative, actual and potential) impacts on the economy, environment and people, including those on human rights, integrating the stakeholder perspective into the broader impact assessment process.

In addition, Brembo decided on early adoption of the provisions of the Corporate Sustainability Reporting Directive by applying the EFRAG European Sustainability Reporting Standards (ESRS), i.e., the reporting standards that are to be used by companies subject to the Corporate Sustainability Reporting Directive (CSRD) with effect from 2024 (publication in 2025) and that involve a process of identifying material topics according to a double materiality approach: impact materiality and financial materiality. Impact materiality is aligned with GRI requirements, while

financial materiality analyses the risks and opportunities that may influence the company's value creation. The material topics and impacts identified through the impact materiality are inputs to define financial risks and opportunities.

The materiality analysis process was updated in 2023 as well, taking into account both actual and potential, positive and negative impacts of material topics, which were then assessed by Brembo's management. Some priority stakeholders, namely clients, suppliers, investors and insurance companies, were then engaged to evaluate the outcome of this analysis and integrate it through their comments (impact materiality). The members of the Board of Directors, of the Audit, Risk & Sustainability Committee and of the Board of Statutory Auditors were also involved. With regard to financial materiality, the material risks and opportunities — those that may have a significant impact on the Company's performance — were discussed at the meeting of the CSR Committee.

The Materiality Analysis, assessed in advance by the CSR Committee on 13 December 2023, was shared with the Audit, Risk & Sustainability Committee, the Supervisory Committee and the Board of Statutory Auditors during the meeting held on 18 December 2023 and approved by the Board of Directors on 19 December 2023.

The 2023 NFD was examined and approved by the Board of Directors at its meeting of 5 March 2024, after being examined by the Audit, Risk & Sustainability Committee during its meeting of 1 March 2024, and it was then submitted to the Control Bodies (Board of Statutory Auditors and Independent Auditors) for the activities within their remit. The NFD was also subject to limited assurance by the same auditing firm commissioned to audit the financial statements (Deloitte & Touche), who verified that it conforms to Legislative Decree No. 254/2016 and complies with the principles and methodologies of the reporting standards used.

The related report, which is separate from the independent auditors' report, is appended to and published together with the NFD. The 2023 NFD is available on the Company's website ([www.brembo.com](http://www.brembo.com), section Sustainability, Report, Report and Presentations).



### 1.3. COMPANY KEY HIGHLIGHTS

(EURO MILLION)	2022	2023	CHANGES %
Sales	3,629.0	3,849.2	6.1%
EBITDA	625.2	665.8	6.5%
Profit	292.8	305.0	4.2%
Net financial position	502.0	454.8	-9.4%
Market capitalisation at 31 December	3,489	3,707	6.2%
Workforce (headcount)	14,966	15,653	4.6%

### 1.4. 2019-2023 STOCK PERFORMANCE



## 2. INFORMATION ON OWNERSHIP STRUCTURE AT 31 DECEMBER 2023

### 2.1. STRUCTURE OF SHARE CAPITAL

Brembo S.p.A.'s subscribed and fully paid-up share capital at 31 December 2023 amounted to €34,727,914 and was divided into 333,922,250 ordinary shares, without nominal value.

At the date of approval of this Report, following the resolution passed by the General Shareholders' Meeting of 27 July 2023 on the Cross-Border Conversion, Brembo proceeded with the voluntary share capital decrease from €34,727,914.00 to €3,339,222.50 instrumental to the Transaction. Said decrease was executed without cancellation of shares and without any reimbursement of capital to shareholders, through recognition to the Company's equity of a reserve of an equal amount. Therefore, this decrease had no impact on Brembo Shareholders' capital and administrative rights.

The decrease had become necessary as the Dutch legal framework, contrary to the Italian one, does not allow the possibility for Dutch limited liability companies (*naamloze vennootschap*) to issue shares without express indication of par value and requires that the par value be specified in the articles of association and consist of no more than two decimal places. Therefore, under the Transaction and immediately before its finalisation, it had been necessary to proceed with the decrease. For further information see [www.brembo.com/en/investors/for-shareholders/registered-office-relocation](http://www.brembo.com/en/investors/for-shareholders/registered-office-relocation).

As at the date of the approval of this Report, the Company holds 15,051,860 own shares representing 4.51% of share capital (see paragraph 2.6).

### SHARE OWNERSHIP AT 31 DECEMBER 2023

FEATURE	YES/NO	SHARE CAPITAL %
Presence of syndicate agreements	No	--
Presence of increased voting right	Yes	--
Restrictions on the transfer of securities	No	--
Securities carrying special rights	No	--
Employee share ownership scheme	No	--
Restrictions on voting rights	No	--
Minimum shareholding required for the submission of lists	Yes	1%

### 2.2. SIGNIFICANT SHAREHOLDINGS

(Figures taken from the Shareholders' Register at 31 December 2023 and information received by the Company at the date of publication of this Report)

Total ordinary shares outstanding	333,922,250
Total voting rights outstanding <sup>4</sup>	512,988,721

<sup>4</sup> See paragraph 2.3.

## MAIN SHAREHOLDERS AT 31 DECEMBER 2023

	DECLARANT	DIRECT SHAREHOLDER	NATIONALITY	NO. OF SHARES	% OF SHARE CAPITAL	NO. OF VOTES	% ON VOTING RIGHTS OUTSTANDING
1	Bombassei Alberto	Nuova FourB S.r.l.	Italy	178,859,605	53.563	357,583,370	69.706
2		Brembo S.p.A.	Italy	15,051,860	4.508	15,051,860 (*)	2.934
3		City of New York Group Trust	U.S.	5,304,468	1.589	5,304,468	1.034
4		Vanguard International Value Fund	U.S.	4,611,463	1.381	4,611,463	0.899
5		Mawer Global Equity Fund	Canada	3,321,231	0.995	3,321,231	0.647
6		Mawer Global Small Cap Fund	Canada	2,573,523	0.771	2,573,523	0.502
7		Government of Norway	Norway	2,375,951	0.712	2,375,951	0.463
8		Rbc Ist Treaty Clients Ac	Canada	2,247,154	0.673	2,247,154	0.438
9		Florida Retirement System	U.S.	2,031,602	0.608	2,031,602	0.396
10		Mediolanum Flessibile Sviluppo Italia	Italy	1,950,000	0.584	1,950,000	0.380

(\*) Own shares' voting rights are suspended.

### 2.3. INCREASED VOTING RIGHT

The Shareholders' Meeting held on 18 April 2019 approved the amendment to Article 6 of the By-laws, introducing — pursuant to Article 127-*quinquies* of TUF — the increased voting right mechanism. The amendment aims to foster stable and loyal ownership by promoting medium/long-term investment in Brembo's share capital in order to support the Group's organic and non-organic growth. Stable share ownership is a strategic factor to the success of the Company's growth projects, since these are projects that, in view of the characteristics of the Group's business, are to be developed over a medium-to-long term time horizon, and therefore require the support of shareholders whose investment rationale and return expectations are oriented accordingly.

The By-laws provides for the allotment of two (2) votes for each share belonging to the shareholder requesting to be registered in the Special List — maintained and updated by the Company — provided that the said share is held for a period of no less than 24 subsequent months starting from the date of its registration in such Special List.

All details relevant to the procedure for the registration, maintenance and updating of the Special List, in compliance with the applicable laws, the By-laws and the market practices, are described in the Increased Voting Right Regulations approved by Brembo's BoD on 18 April 2019 and subsequently amended on 23 April 2020.

### INCREASED VOTING RIGHTS AT THE DATE OF PUBLICATION OF THIS REPORT

	NO. OF SHARES COMPRISING THE CAPITAL	NO. OF VOTING RIGHTS
<b>Total shares of which:</b>	<b>333,922,250</b>	<b>512,988,721</b>
Ordinary shares IT0005252728	154,855,779	154,855,779
Ordinary shares with increased voting right IT0005380149	179,066,471	358,132,942

[www.brembo.com/en/investors/for-shareholders/increased-voting-right](http://www.brembo.com/en/investors/for-shareholders/increased-voting-right).

#### 2.4. CHANGE OF CONTROL CLAUSES

As part of their business, Brembo and its direct or indirect investees are parties to various joint ventures, supply, co-operation and financing agreements. As is customary at the international level and in negotiation practice for such

agreements, they include clauses that, if applied, grant each of the parties the power to terminate and/or amend such agreements in the event of a direct and/or indirect change of control of one of the parties.

#### 2.5. POWER TO INCREASE THE SHARE CAPITAL

In accordance with Article 2443 of the Civil Code, on 18 April 2019 the General Shareholders' Meeting again vested the Board of Directors (until 18 April 2024) with delegated powers to increase the paid share capital by issuing new shares — on one or more occasions, also in several tranches, pursuant to Article 2439, paragraph 2, of the Civil Code, while excluding the option right pursuant to Article 2441, paragraph 4(2), of the Civil Code — for an overall maximum value of €3,472,791.40<sup>5</sup>, and no more than 33,392,225<sup>6</sup> shares without nominal value, or — if fewer — of the number of shares that, at each date such delegated powers are exercised (and taking due account of any and all the shares that may already have been issued pursuant to said powers), represents 10% (ten percent) of the Company's total

shares at such date. To this end, the BoD is additionally empowered to:

- establish, for each issue, the number, unit price of issue and dividend rights of the related ordinary shares, without restriction except as specified under Article 2441, paragraph 4(2), and/or Article 2438, and/or Article 2346, paragraph 5, of the Civil Code;
- determine the deadline to subscribe the Company's ordinary shares;
- exercise the delegated powers, as well as the authority mentioned above, including and not limited to, full powers to accordingly amend the Company's By-laws, as may be required from time to time.

#### 2.6. AUTHORISATION TO BUY BACK OWN SHARES

After revocation of the previous Resolution dated 21 April 2022, the General Shareholders' Meeting of Brembo S.p.A. held on 20 April 2023 approved a plan for the buy-back of own shares ending on 20 October 2024, thus a maximum period of 18 months. This authorisation entails:

- the purchase of a maximum of 8,000,000 own shares for up to €144,000,000 and the sale of all own shares held, in one or more tranches, for a maximum period of 18 months, at a minimum price of no more than 10% below the reference price of the shares during the trading session on the day before each purchase transaction is undertaken and a maximum price of no more than 10% above the reference price of the shares during the trading session on the day before each individual purchase transaction is undertaken, by drawing on unrestricted reserves;

- with reference to the disposal of own shares for a maximum term of 18 months, granting the Board of Directors the power to define, from time to time, all the criteria to set the relevant consideration and/or methods, terms and conditions to use treasury shares, taking due account of the realisation methods applied and the price trend of the stock in the period before the transaction, acting in the best interest of the Company;
- granting the Executive Chairman full powers, with the possibility of delegating them to third parties, to implement the Resolutions as per the points above, even availing of attorneys-in-fact, in accordance with applicable laws and as requested by relevant authorities.

<sup>5</sup> This amount was approved before the share capital decrease described in point 2.1 above.

<sup>6</sup> The number of shares reported herein accounts for the stock split approved by the General Shareholders' Meeting of 29 April 2017.

As part of the plan for the buy-back of own shares authorised by the General Shareholders' Meeting on 20 April 2023, whose launch was announced on 31 July 2023, Brembo bought back own shares in August 2023 through an appointed intermediary, for a total of 629,557 own shares, accounting for 0.19% of share capital.

#### OWN SHARES IN PORTFOLIO AT 31 DECEMBER 2023

NO. OF OWN SHARES	% OF SHARE CAPITAL	NO. OF VOTING RIGHTS
10,664,557	3.19%	2.08%

Afterwards, on 31 January 2024, under the Cross-Border Conversion (and therefore not under the aforementioned plan for the buy-back of own shares authorised by the General Shareholders' Meeting), the Company proceeded with the purchase of 4,387,303 shares which remained unopted, accounting for 1.31387% of share capital.

#### TREASURY SHARES AT THE DATE OF APPROVAL OF THIS REPORT

NO. OF OWN SHARES	% OF SHARE CAPITAL	NO. OF VOTING RIGHTS
15,051,860	4.51%	2.93%

## 2.7. DIRECTION AND COORDINATION

Brembo S.p.A. is not subject to the direction and coordination of any company or entity pursuant to Article 2497-bis of the Civil Code, despite it being controlled by another company. This is because, in accordance with the recommendations of the 2020 Corporate Governance Code, decisions that result in the following are subject to the collective examination of and exclusive approval by the Board of Directors of Brembo S.p.A., which as of 31 December 2023 includes six (6) independent Directors:

- the preparation of the Group's business, strategic and financial and budget plans;
- the issuance of guidelines on matters of financial and credit policy and the centralisation of functions such as treasury management, administration, finance and control; and
- the definition of the strategies for the growth, strategic and market positioning of the Group and its individual Companies, particularly where policies may influence

and determine their practical implementation by the Company's management.

The professional expertise and authoritativeness of non-executive and independent Directors represent a guarantee that all Board of Directors' decisions are adopted in the sole interest of the Group and its stakeholders, without being subject to any direction or interference from third parties representing interests other than those of Brembo S.p.A.

Brembo S.p.A. is responsible for coordination and control of its Subsidiaries pursuant to Article 2497 of the Civil Code, and sets the Company and Group strategies aimed at medium-to-long-term sustainability in terms of operating and financial performance, business objectives, investments and sales and marketing policies. The requirements pursuant to Article 2497-bis of the Civil Code have been complied with.

### 3. COMPLIANCE WITH THE 2020 CORPORATE GOVERNANCE CODE (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2(A), OF TUF)

The Corporate Governance System of Brembo S.p.A. is inspired by and fully implements the principles and recommendations issued by the Corporate Governance Committee<sup>7</sup> in the 2020 Corporate Governance Code. In fact, said principles and recommendations have been incorporated into Brembo Corporate Governance Code (Brembo CGC, as approved by the BoD on 17 December 2021 and available from the Company's website in its latest version<sup>8</sup>), as well as into the Regulations of the BoD and the rules of Board Committees.

As part of the process of adopting the 2020 CGC, Brembo also took account of the Q&As published by the Corporate Governance Committee instrumental to its application, in addition to assessing the potential impacts on Brembo's corporate governance system and identifying areas of specific interest and possible changes to its company practices. The results of this analysis indicated compliance with the principles and recommendations of the 2020 CGC.

On the basis of these in-depth analyses, upon the Shareholders' Meeting of 22 April 2021 it was proposed to amend the By-laws (specifically the Article relating to "Purpose") in order to enshrine in them a commitment already promoted by the Group, namely pursuing long-term and Sustainable Development. The said amendment was approved.

Before being approved, the current Brembo Corporate Governance Code was circulated in consultation to the members of the Audit, Risk & Sustainability Committee and Board of Statutory Auditors — along with a detailed overview of all amendments for comparison purposes —, underscoring the proposals for deviations and reasons for the same. The Brembo CGC was then approved by the Board on 17 December 2021.

It incorporates all the principles and recommendations of the 2020 CGC, regarded as already applied in practice, with a few deviations due to the fact that some recommended practices were considered not functional to or compatible with Brembo's current governance model, while also taking account of the substance-over-form and comply-or-explain<sup>9</sup> principles.

The concrete application of the 2020 CGC principles is illustrated in the various sections of this Report, whereas the deviations are shown in the table below at page 18<sup>10</sup>, along with the related reasons.

To this end, it is also clarified that, on the basis of the definitions provided by the 2020 CGC and ownership structures, Brembo qualifies as:

- a large Company, whose capitalisation was greater than €1 billion on the last trading day of each of the previous three (3) calendar years before the adoption of the 2020 CGC and approval of the Brembo CGC;
- a Company with concentrated ownership since its majority shareholder directly holds the majority of the votes that may be exercised in the ordinary shareholders' meeting.

Regardless of such classifications, the Company decided, where possible, to implement all recommendations of the 2020 CGC, without exercising any of the flexibility options granted. See the table below at page 19.

Finally, it should be acknowledged that, upon adoption of the Brembo CGC, the Board of Statutory Auditors indicated that it had found a detailed analysis with regard to the comparison with the 2020 CGC.

<sup>7</sup> Reference is made to the Corporate Governance Code issued in January 2020 by the Corporate Governance Committee, available to the public on the following website: [www.borsaitaliana.it/comitato-corporate-governance/codice/2020eng.en.pdf](http://www.borsaitaliana.it/comitato-corporate-governance/codice/2020eng.en.pdf)

<sup>8</sup> [www.brembo.com](http://www.brembo.com), section Company, Corporate Governance, Governance Documents.

<sup>9</sup> Since these are not obligations, the comply-or-explain approach is adopted whereby when Brembo decides not to implement these recommendations, it explains the reasons for non-application or partial application by specific Board resolution. Where primary or secondary legislation is incompatible with the application of some recommendations, a resolution by the Board of Directors justifying non-application or partial application is not required.

<sup>10</sup> The application of the Code implies that each deviation is clearly indicated in the corporate governance report and that companies: (a) explain how the best practice recommended by the Code has been disregarded; (b) describe the reasons for the deviation; (c) describe how the decision to depart from the recommendations has been made within the company; (d) if the deviation is limited in time, indicate when they plan to apply the related best practice; (e) describe any action adopted as an alternative to the best practice which they have not implemented and explain how this choice helps achieving the objective underlying the Code's principles and in any case contributes to good corporate governance.

**MAIN DEVIATIONS COMPARED TO THE 2020 CORPORATE GOVERNANCE CODE**

REF. IN THE 2020 CCG – DEVIATIONS	JUSTIFICATIONS
<b>Definitions</b>  <b>Chief Executive Officer (CEO)</b>	<p>On the basis of the Group's current organisational structure, approved by the Shareholders' Meeting on 17 December 2021, and in keeping with the delegated powers assigned by the Board of Directors on that same date (confirmed by the BoD on 20 April 2023), there are several individuals who may be characterised as holding primary responsibility for management of the Company, identifiable as those in the following roles:</p> <ul style="list-style-type: none"> <li>• Executive Chairman;</li> <li>• Chief Executive Officer (CEO);</li> <li>• the Director in charge of the Internal Control and Risk Management System and the Chief CSR Officer;</li> </ul> <p>all designated Executive Directors, to whom the Board of Directors granted specific powers, authority, duties and areas of responsibility.</p> <p>Accordingly, all references in the 2020 CGC to the person holding primary responsibility for management of the company or CEO are specified in the Brembo CGC as identifying one of the roles indicated above by virtue of the powers, authority, duties and areas of responsibility defined by the BoD.</p> <p>N.B. In the Q&amp;A included in the 2020 CGC it is specified that companies normally identify a single executive director as the person holding primary responsibility for management. However, the BoD may identify more than one such person where multiple Directors are attributed equivalent management powers.</p> <p>See paragraphs 4.9 and 9.1.</p>
<b>Article 2 – Composition of the Corporate Bodies</b>	<p>On the basis of the Brembo Group's organisational and corporate structure (company with concentrated ownership), the BoD has decided to assign an executive role to the Chairman to ensure optimal use of the wealth of knowledge, experience, values and skills gained over time, so that the Group may continue its growth and development without interruption, in accordance and harmony with its past and identity.</p> <p><b>Recommendation 4 Chairman's role</b></p> <p>The independence of judgement of the BoD in its activities is in any case ensured by the presence of six (6) Directors qualifying as independent, whose professional expertise and authoritativeness are an additional guarantee that all Board of Directors' decisions are taken in the sole interest of the Group and its stakeholders, without being subject to any direction or interference from third parties representing interests other than those of Brembo S.p.A.</p> <p>See paragraph 4.8.</p> <hr/> <p><b>Recommendation 7 Independence criteria</b></p> <p>The BoD assesses on an annual basis, after the preliminary review by the Remuneration &amp; Appointments Committee, whether the individual Directors meet the independence requirements. Such assessment is performed in compliance with the consolidated principle of the prevalence of substance over form, which takes account of the principles set out in the 2020 CGC, the professionalism and dedication shown, as well as the active participation in Board meetings, and the speeches and thoughts relating to debate within the Board.</p> <p>See paragraphs 4.3, 4.4 and 4.10.</p>
<b>Article 4 – Appointment of Directors and BoD's self-assessment process</b>	<p>On the proposal of the Remuneration &amp; Appointments Committee, the BoD assigned the LID (Lead Independent Director) responsibility for coordinating the Board Performance Evaluation, in addition to determining that the process of evaluating and circulating the plan of activity and its results would involve the participation of all Independent Directors and not just the members of the Remuneration &amp; Appointments Committee.</p> <p><b>Recommendation 19a) Board Performance Evaluation</b></p> <p>This was determined in light of the well-consolidated, effective methods used by the LID and Independent Directors (who, <i>inter alia</i>, are members of the Remuneration &amp; Appointments Committee) to perform this activity in the course of the Board of Directors' previous terms and to proceed in continuity with the previous editions of the BPE.</p> <p>See paragraph 7.1.</p>
<b>Article 6 – Internal Control and Risk Management System</b>	<p>The BoD identified the Executive Director with the role of Chief CSR Officer as the Director responsible for setting up and maintaining the ICRMS (hereinafter the "ICRMSD"), on the basis of the experience gained over the years and the knowledge of Brembo's business sector and in continuity with the governance model for the Risk Management and Control implemented to date.</p> <p><b>Recommendations 32 b) and 34 CEO – ICRMS</b></p> <p>See paragraph 9.</p>

## RECOMMENDATIONS OF THE 2020 CORPORATE GOVERNANCE CODE FOR LARGE COMPANIES WITH CONCENTRATED OWNERSHIP – APPLICATION WITHIN BREMBO

TOPIC	2020 CGC'S RECOMMENDATIONS FOR LARGE COMPANIES WITH CONCENTRATED OWNERSHIP	APPLICATION INTO BREMBO S.P.A. (AS A LARGE COMPANY WITH CONCENTRATED OWNERSHIP)
<b>Number of Independent Directors</b>	At least 1/3	In the BoD of Brembo S.p.A., six (6) Directors out of eleven (11) qualify as independent. See paragraph 4.10.
<b>Meetings of Independent Directors</b>	At least once (1) a year	In 2023, Independent Directors, coordinated by the LID, met on 18 October 2023. The Board Secretary participates in meetings, prepares the minutes thereof, and conveys the suggestions and proposals put forward to the Executive Directors. See paragraph 4.11.
<b>LID</b>	Recommended	Non-Executive and Independent Director Manuela Soffientini was appointed by the BoD as Lead Independent Director following the appointment of the new company boards upon the General Shareholders' Meeting of 20 April 2023. See paragraph 4.11.
<b>Maximum number of positions</b>	Recommended	In order to ensure a time commitment adequate to the diligent performance of Directors' functions, the Company envisaged a maximum number of four (4) positions at listed companies in its Regulations of the BoD. Positions at listed companies in which the Director also holds a significant equity interest are not taken into account to this end. See paragraph 4.5.
<b>Appointments Committee</b>	Powers may be delegated to the BoD.	Brembo implemented the recommendation to set up the Appointments Committee in 2012, entrusting such function to the Remuneration Committee and accordingly changing its name to Remuneration & Appointments Committee. The Remuneration & Appointments Committee is made up of three (3) Independent Directors. See paragraph 8.2.
<b>Audit &amp; Risk Committee</b>	Recommended	Brembo appointed an Audit, Risk & Sustainability Committee, made up exclusively of Independent Directors, and which also acts as the Related Party Transactions Committee. See paragraph 9.2.
<b>Self-assessment</b>	At least every three (3) years	The BPE (Board Performance Evaluation) shall be performed on annual basis. See paragraph 7.
<b>Guidelines on the optimal composition of the BoD</b>	Not recommended	The Board of Directors' Diversity Policies and (qualitative and quantitative) Criteria, indicated in the Brembo CGC and in the Regulations of the BoD (and in line with the recommendations of the 2020 CGC), as described below, aim at ensuring an optimal combination of skills, experience, professionalism, gender, age and other relevant aspects. These criteria, together with the indications that emerged from the 2022 BPE, constituted the basis of reference for the orientation by the outgoing Board of Directors for the managerial and professional candidates to be nominated in view of the appointment of the new company boards for the three-year term 2023-2025 during the General Shareholders' Meeting called to approve the Financial Statements for the year ended 31 December 2022 (20 April 2023) and were also indicated in the document issued and published on 2 March 2023 by the outgoing Board of Directors denominated "Guidelines of the outgoing Board of Directors of Brembo S.p.A. to Shareholders on the qualitative and quantitative composition of the Board of Directors" and in the Illustrative Report on the BoD's appointment published upon calling of the General Shareholders' Meeting <sup>11</sup> . See paragraph 4.4.
<b>Succession plan</b>	Recommended	On 17 December 2021, the BoD of Brembo approved the Brembo Group's current organisational structure reinforcing the Company's governance model in order to strengthen the top management team and gradually initiate internal succession mechanisms. Within this proven organisational structure and in accordance with the delegated powers assigned by the Board of Directors, Matteo Tiraboschi holds the position of Executive Chairman, Daniele Schillaci that of Chief Executive Officer (CEO). The organisational macro structure was illustrated on 17 December 2021. The Talent Management & Succession Plan was illustrated by the Chief HRO Officer at the meeting of the Remuneration & Appointments Committee of 12 November 2021, while its updated version was subsequently submitted during the meeting of 14 November 2022. See paragraph 7.2.

In order to apply the 2020 CGC in an increasingly consistent and substantial manner, as per company practices, the Board of Directors has examined the Company's application of the recommendations made by the Corporate Gov-

ernance Committee in its Letter of 14 December 2023 and found that the Company has an excellent level of implementation, in line, *inter alia*, with the outcome of the 2023 BPE. See paragraph 16.

11 [www.brembo.com/en/investors/for-shareholders/shareholders-meeting](http://www.brembo.com/en/investors/for-shareholders/shareholders-meeting)

# 4. BOARD OF DIRECTORS

## 4.1. ROLE OF THE BOARD OF DIRECTORS

Brembo's Board of Directors plays a key strategic guidance role that is not limited to defining the Company's strategic plans and determining its organisational structure, values and standards, but also constantly focuses on the creation of value in the long term and the pursuit of a "Sustainable Success". The Board:

- promotes sustainable growth in the medium-to-long term that takes into due consideration social and environmental aspects impacting its activity, through an adequate control and risk management system, including sustainability risks;
- ensures utmost transparency towards the market and investors; and
- pays particular attention to material changes in business prospects and situations of risk to which the Company is exposed.

The Board of Directors is also responsible for verifying the adequacy of the organisational, administrative and accounting structure and the appropriateness of the controls necessary to monitor the performance of the Company and the Group, as well as for performing the tasks set out in Article 1 of the Brembo CGC.

The performance of such activities/duties is described in detail in the paragraphs below.

### 4.1.1 ACTIVITY CARRIED OUT BY THE BOARD OF DIRECTORS

The activities performed in 2023 by the BoD, in the exercise of its powers, are summarised below.

<b>Business Plan</b>	On 20 June 2023, Brembo's BoD examined the Brembo Group's 2023-2027 Business Plan — in line with the 2030 target — which sets out the Company's strategic goals and the actions to be taken to achieve those goals in keeping with the pre-defined risk profile, so as to promote the Company's Sustainable Success.
<b>Operations and delegated powers and Significant Transactions</b>	<p>During its meetings of 24 February 2023, 2 March 2023, 20 April 2023, 9 May 2023, 20 and 22 June 2023, 27 July 2023, 7 November 2023, 4 and 19 December 2023, the Board of Directors examined, assessed and monitored:</p> <ul style="list-style-type: none"> <li>• the performance and foreseeable evolution through information received from the Delegated Bodies, when presenting and approving the interim results;</li> <li>• the adequacy of the organisational structure of the Group and its administrative and accounting system, after receiving the opinions of the Governance Committees and the Board of Statutory Auditors, while constantly receiving information regarding the main organisational changes and the administrative and accounting standards observed;</li> <li>• the transactions with a significant strategic, operating, capital and/or financial impact carried out by the Company and/or its subsidiaries, assessing the relating risks and constantly monitoring their progress;</li> <li>• the significant transactions<sup>12</sup>, which were deemed consistent with the resolutions passed by the BoD;</li> <li>• the state of progress of the activities performed in the exercise of the delegated powers and of significant transactions and transactions in potential conflict of interest.</li> </ul>
<b>Group's growth strategies and related risks</b>	With the participation of the Chief Business Development Officer and in some cases of the various Chief Operating Officers, the Board of Directors periodically discussed and reviewed the Group's organic and non-organic growth strategies, including mergers and acquisitions, and analysed the related risks (meetings of 24 February 2023, 20 April 2023, 9 May 2023, 20 and 22 June 2023, 27 July 2023 and 7 November 2023).
<b>Market performance and outlook, and strategically significant projects</b>	During the meetings on 2 March 2023, 9 May 2023, 22 June 2023, 7 November 2023 and 19 December 2023, the BoD examined, assessed and monitored the performance of, and outlook for, the automotive market — also in light of the global geopolitical and economic situation —, and also received an update regarding the main significant projects and product evolution (Business Transformation).

<sup>12</sup> With regard to significant transactions, the Company acts in accordance with the instructions for managing the same. "Significant transactions" are the transfers of resources, services or obligations that by purpose, payment, procedures, or execution time may have an impact on the integrity of company assets or the completeness and fairness of information, including accounting information. These instructions also envisage quarterly disclosures of these transactions, as well as transactions involving potential conflicts of interest carried out by Brembo S.p.A. or its subsidiaries pursuant to Article 2359 of the Civil Code, by Brembo's internal entities to the Board of Directors and by the latter to the Board of Statutory Auditors.

<b>Guidelines of the outgoing Board of Directors on the optimal size and composition of the Board of Directors for 2023-2025</b>	In its meeting of 2 March 2023, the outgoing Board of Directors — in accordance with the provisions of the 2020 CCG (Article 4, Principle XIII, Recommendation 23), the Brembo CCG and the outcome of the 2022 Board Performance Evaluation <sup>13</sup> — prepared and published (www.brembo.com, section Investors, For Investors, Shareholders' Meeting) its guidelines for the Company's Shareholders on the optimal size and composition of the Board of Directors, also taking into account the Group's size, positioning, complexity, specific industry and strategies.
<b>Materiality Matrix and Disclosure of Non-Financial Information</b>	<p>With reference to Sustainability, the Board examined, assessed and approved:</p> <ul style="list-style-type: none"> <li>• at the meeting on 19 December 2023, the proposed 2023 Materiality Matrix drawn up also taking into account the outcome of the survey conducted with internal and external stakeholders and the timetable of the process of collecting and preparing the 2023 NFD (including the assurance activities plan by the firm commissioned);</li> <li>• at the meeting on 5 March 2024, the 2023 Disclosure of Non-Financial Information made available to the public along with this Report on 22 March 2024, as discussed in paragraph 1.3 above.</li> </ul> <p>Non-financial reporting standardisation trends (new taxonomies, etc.) were constantly monitored through the reports of the Chief CSR Officer to the Audit, Risk &amp; Sustainability Committee.</p>
<b>Remuneration Policies<sup>14</sup></b>	<p>In the area of remuneration policies, the BoD reviewed and approved, with the prior favourable opinion of the Remuneration &amp; Appointments Committee and with the attendance at the meetings of the Chief Human Resources &amp; Organisation Officer, the subjects indicated below.</p> <p>1) On 2 March 2023, it examined and approved:</p> <ul style="list-style-type: none"> <li>• the closing results of the short-term annual Incentive Plan (MBO 2022), and their consistency with the short-term policies previously adopted;</li> <li>• the proposals of the short-term annual Incentive Plan (MBO 2023);</li> <li>• the proposal to review the Remuneration Packages for the Executive Chairman and the CEO;</li> <li>• the proposal to change the pay-out cap relating to the Category 1 for the years 2023 and 2024 of the 2022-2024 LTIP;</li> <li>• the proposal regarding the total remuneration (for each year of the term of office) of the governing body and the Board Committees and allocation thereof, in view to the appointment of the new corporate boards for the 2023-2025 term;</li> <li>• the Report on the Remuneration Policy for 2023 (Section I and Section II) and Remuneration Paid, drawn up in accordance with Article 123-ter of TUF, assessing and confirming the effective implementation of the remuneration policies as defined in 2022.</li> </ul> <p>2) On 5 March 2024, it examined and approved:</p> <ul style="list-style-type: none"> <li>• the closing results of the short-term annual Incentive Plan (MBO 2023), and their consistency with the short-term policies previously adopted;</li> <li>• the proposals of the short-term annual Incentive Plan (MBO 2024);</li> <li>• the Report on the Remuneration Policy for 2024 (Section I and Section II) and Remuneration Paid, drawn up in accordance with Article 123-ter of TUF, assessing and confirming the effective implementation of the remuneration policies as defined in 2023.</li> </ul> <p>The main aspects of the new short- and long-term remuneration policies, approved by the Board, are illustrated in the Remuneration Report drawn up in accordance with Article 123-ter of TUF, which is available on Brembo's website.</p>
<b>Implementation of the Brembo Shareholder Engagement Policy</b>	<p>In accordance with the provisions of the Brembo Shareholder Engagement Policy, in 2023 the Chairman (with the support of the BoD's Secretary and the Investor Relator) periodically reported to the Board of Directors and to the Board of Statutory Auditors on the development and content of the dialogue and discussions with the current and/or potential Shareholders and/or Investors of the Company. These activities were carried out during the following Board meetings: 2 March 2023, 9 May 2023, 27 July 2023, 7 November 2023 and 5 March 2024.</p> <p>For further details, see paragraph 12.</p>
<b>Adequacy of the Internal Control and Risk Management System</b>	With regard to the ICRMS, the Board constantly monitored the main aspects associated with the System in the context of the various improvement and development plans of the different processes. Monitoring activities included the periodic reports received during the meetings of 2 March 2023, 27 July 2023 and 5 March 2024 from the Director in charge of the ICRMS and from the Audit, Risk & Sustainability Committee, the Supervisory Committee and the Chief Internal Audit Officer, thus confirming the adequacy of Brembo's Internal Control and Risk Management System and the soundness of the action plans identified by management to pursue risk prevention.
<b>Internal Audit</b>	<p>During the meeting of 20 April 2023, the Chief Internal Audit Officer submitted to the BoD the 2023 Audit Plan.</p> <p>In the meeting of 17 December 2023, as part of the Group's Budget, the Internal Audit Function's Budget was also examined.</p>

<sup>13</sup> The 2022 BPE for the last year of office was conducted by the independent advisor Russell Reynolds Ass.

<sup>14</sup> www.brembo.com, section Company, Corporate Governance, Remuneration Policies.

<b>Cross-Border Conversion</b>	<p>In the meeting held on 20 June 2023, the Board of Directors resolved to submit to the General Shareholders' Meeting the proposal of:</p> <ul style="list-style-type: none"><li>• adopting the legal form of a public company with limited liability (<i>naamloze vennootschap</i>) — substantially equivalent to the corporate type of joint-stock company (<i>società per azioni</i>) under Italian law — governed by the laws of The Netherlands, resulting in the assumption of the name “Brembo N.V.”</li><li>• adopting a new text of the Articles of Association in accordance with laws of The Netherlands that provides for the adoption of a special voting mechanism pursuant to the Dutch laws;</li><li>• transferring its registered office to Amsterdam, The Netherlands, while retaining its tax residence in Italy and without any reorganisation of its operating activities and people, who will continue seamlessly to operate in Italy through the establishment of a secondary office. See paragraphs 1.2 and 15.</li></ul>
<b>Workplace safety indicators</b>	<p>At its meeting of 22 June 2023, the Board of Directors analysed the Safety Performance and the related Group indicators, further exploring the programmes launched at the global level to constantly increase Group security levels.</p>
<b>Whistleblowing Procedure and Channel</b>	<p>In accordance with Decree No. 24/2023, the Board of Directors approved the new whistleblowing procedure and the new channel activated with effect from 15 July 2023. The new internal Whistleblowing Channel — management of which has been assigned by the BoD to the Chief Internal Audit Officer — is managed through a platform that uses IT systems and cryptography and is capable of ensuring the confidentiality of the identity of the whistleblowers and the persons involved, the content of the report and the related documentation.</p> <p>For further details, see paragraph 9.</p>
<b>Adjustment to the Independent Auditors' Fees</b>	<p>During the meetings of 2 March and 9 November 2023, the Board of Directors, having heard the opinion of the Board of Statutory Auditors, approved the adjustment to the Independent Auditors' fees to the 2023 inflation index for the following additional activities:</p> <ul style="list-style-type: none"><li>• statutory auditing of the captive company Brembo Reinsurance AG;</li><li>• updating of activities following the introduction of the new auditing standard ISA 315 Revised;</li><li>• auditing of Brembo do Brasil Ltda.'s statutory financial statements;</li><li>• confirming that these additional fees fall within the adjustment criteria initially defined by the Shareholders' Meeting.</li></ul>
<b>Related Party Transaction Procedure</b>	<p>During the meetings of 2 March, 9 May, 27 July and 7 November 2023 and 5 March 2024, the BoD was provided information about the implementation of the Framework Resolutions passed by resolution dated 17 December 2022 for financial year 2023.</p> <p>During the meeting of 20 April 2023, also in light of the favourable opinion of the Audit, Risk &amp; Sustainability Committee in its capacity as Related Party Transactions Committee, the BoD:</p> <ul style="list-style-type: none"><li>• approved the Significance Indices for identifying Transactions of Greater Importance updated and calculated based on the data of the 2022 Financial Statements;</li><li>• confirmed the amount of the “Threshold” differentiated in view of the nature of the counterparty, as follows:<ul style="list-style-type: none"><li>– €250,000.00, in the case of transactions carried out with legal persons, entities and professional associations;</li><li>– €100,000.00, in the case of transactions carried out with natural persons.</li></ul></li></ul> <p>Lastly, during the meeting of 19 December 2023, having heard the favourable opinion of the Audit, Risk &amp; Sustainability Committee, it approved the draft framework resolutions for uniform transactions to be concluded with the same Related Party for 2024, pursuant to Article 4.9 of the RPT Procedure.</p>
<b>Stakeholder Engagement Policy</b>	<p>During the meeting of 19 December 2023, having heard the opinion of the Audit, Risk &amp; Sustainability Committee, the Board of Directors approved the new Stakeholder Engagement Policy, which thoroughly defines how Brembo identifies its stakeholders and which are the main feedback/engagement channels and responsibilities.</p>
<b>Budget 2024</b>	<p>During the meeting of 19 December 2023, the Board of Directors, following examination of the market trends relating to the automotive sector and the main projects identified by Brembo, analysed the 2024 budget, finding the targets set in it to be compatible with risk types and profile identified, and adequate with a view to the sustainability of Brembo's business in the medium and long term.</p>

<p><b>Corporate Transactions</b></p>	<p>Based on the resolutions approved by the BoD in 2023, the main corporate transactions carried out are described below.</p> <ul style="list-style-type: none"> <li>• <b>Signing of a shareholder agreement between Brembo and Camfin</b> On 28 February 2023, Brembo S.p.A. and Next Investment S.r.l., together with its parent Nuova FourB S.r.l. (hereinafter jointly referred to as “Brembo”), and Camfin S.p.A. (in short “Camfin”), together with its parent Marco Tronchetti Provera &amp; C. S.p.A. (in short “MTP”), signed a shareholder agreement that entails Brembo’s commitment to aligning its vote with that of MTP/Camfin, following their prior consultation on the matters included from time to time in the agenda of ordinary and/or extraordinary shareholder meetings of Pirelli &amp; C. S.p.A. With a view to long-term cooperation, by signing the shareholder agreement, Brembo and MTP/Camfin agreed — in full accordance with the other shareholder agreements concerning Pirelli already entered into by MTP/Camfin — on a general principle of continuity in the governance, strategy and management of Pirelli. Within this framework, Brembo, in accordance with Pirelli’s entrepreneurial culture, also agreed that MTP/Camfin was to continue to perform its function of steering the top management, including in respect of Pirelli’s strategic options.</li> <li>• <b>Investment in the start-up Agade S.r.l.</b> Brembo participated in an investment in Agade S.r.l., a start-up that is a spin-off from Milan Polytechnic specialised in exoskeleton design, together with the Venture Capital Fund of AVM Gestioni, CDP Venture Capital through the Corporate Partners I fund, EIC Fund, 360 Capital Partners and Generaimprese.</li> </ul>
<p><b>Board Performance Evaluation</b></p>	<p>In the meeting of 7 November 2023, the Board of Directors — in accordance with the provisions of Article 4, Recommendation 22 of the 2020 CGC and — in light of the Cross-Border Conversion — to Article 2.2.6-2.2.7 of the Dutch Corporate Governance Code — examined and discussed the activity plan for the Board Performance Evaluation for the 2023-2025 term. For financial year 2023, activities were carried out by the LID, assisted by/with support from Brembo S.p.A.’s Legal and Corporate Affairs Department. The outcome of the 2023 Board Performance Evaluation was examined and discussed by the Board of Directors at its meeting of 19 December 2023. For a detailed description of activities and the related outcome, see paragraph 7.1.</p>

#### 4.2. APPOINTMENT AND REPLACEMENT OF COMPANY DIRECTORS

In accordance with its By-laws, the Company is governed by a Board of Directors made up of a minimum of five (5) and a maximum of eleven (11) members, as determined by a resolution of the General Shareholders’ Meeting.

Directors are appointed by the ordinary Shareholders’ Meeting, which also defines their number, on the basis of lists with a minimum threshold of 1% of share capital.

#### SUMMARY OF THE COMPANY’S BY-LAWS PROVISIONS

<p><b>Composition (Article 15 of the By-laws)</b></p>	<p>The Board of Directors consists of:</p> <ul style="list-style-type: none"> <li>• a minimum of five (5) and a maximum of eleven (11) members (executive and non-executive Directors), who may be re-elected and, unless otherwise resolved by the General Shareholders’ Meeting, shall hold office for the period specified in the General Shareholders’ Meeting appointment resolution, up to a maximum of three (3) years; they shall expire at the date set for the General Shareholders’ Meeting called to approve the Financial Statements for their last year of office, subject to the causes for termination and forfeiture provided for by law and the By-laws;</li> <li>• at least one (1) Board member, or two (2) members if the Board is made up of more than seven (7) members, meeting the independence criteria pursuant to laws and the Corporate Governance Code of Borsa Italiana, endorsed by the Company;</li> <li>• its composition must reflect gender balance, in accordance with the laws and regulations from time to time in force.</li> </ul> <p>The Brembo CGC, which also incorporates the provisions of the Regulations of the BoD (most recently updated on 16 December 2022), establishes additional both quantitative and qualitative criteria for the formation of the Board of Directors, so that its composition is suited to the Group’s size, positioning, complexity, specific industry and strategies. These criteria also represent and include the diversity policies in the composition of the governing body (see paragraph 4.4).</p>
---	--

---

**List voting  
(Article 15-bis  
of the By-laws)**

With regard to the lists of candidates, duly signed by the Shareholders submitting the same, or the Shareholder delegated to do so, together with all the other related documents as required under the By-laws:

- the lists containing a number of candidates equal to or greater than three (3) cannot include only candidates of the same gender (men and women); these lists must include a number of candidates of the under-represented gender such as to ensure that the composition of the Board of Directors complies with the laws and regulations on gender balance from time to time in force, it being understood that where the application of the distribution criterion between genders results in a non integer number, this must be rounded up in compliance with the laws — including regulatory — applicable from time to time and as specified in the notice of calling of the General Shareholders' Meeting called to resolve on the appointment of the members of the Board of Directors.

Moreover, all lists must be drawn up taking into account the diversity criteria specified in the Brembo CGC;

- the lists must be filed with the Company's registered offices at least 25 calendar days prior to the scheduled date of the General Shareholders' Meeting at first calling and they must be made available to the public at the Company's registered offices, on the corporate website and in the other manners and forms specified under statutory and regulatory provisions, at least 21 calendar days prior to the scheduled date of the General Shareholders' Meeting;
- the lists shall be numbered in serial order according to the date of their filing with or submission to the Company;
- the filing of voting lists pursuant to the provisions of Article 15-bis of the By-laws shall also be valid for General Meetings held at subsequent callings, if any; in this latter case, new voting lists may be submitted and the aforementioned terms set forth for the filling of lists are reduced to 15 and 10 days, respectively.

---

**Voting and  
Election  
(Article 15-ter  
of the By-laws)**

With reference to the procedures regulating the voting process to appoint the Governing Body:

- all the Board members to be appointed as determined by the General Shareholders' Meeting, save one (1), shall be drawn from the list obtaining the highest number of the votes cast by Shareholders, in the same serial order in which they appear on the said list;
- the remaining seat on the Board shall be awarded to the first candidate on the list that obtained the second highest number of votes and that is not linked in any way, whether directly or indirectly, with the Shareholders who submitted or voted in favour of the list that obtained the highest number of votes;
- the positions of Independent Directors, who must meet the requirements of independence, pursuant to Article 15 of the By-laws as mentioned above, will be filled from the list that obtained the highest number of the votes cast, or if this is not possible, from the list that obtained the second highest number of votes;
- for the intents and purposes of appointments to the Board of Directors, no account must be taken of lists that failed to obtain a number of votes representing at least half the aforementioned percentage established under Article 15-bis of the By-laws for the submission of voting lists (for instance, half the 1% of share capital);
- should only one list be submitted, all the members of the Board of Directors must be drawn from the said list, it being understood that in the event no list is submitted, the General Shareholders' Meeting shall pass related resolutions by majority vote, in accordance with applicable laws and regulations, and provisions concerning gender balance (including the rounding-up to the next higher unit in the event the application of the distribution criterion between genders results in a non integer number);
- should be presented two (2) or more lists, the Board of Directors members shall be drawn: (i) from the list obtaining the highest number of the votes cast by shareholders, in the same serial order in which they appear on the said list, all the Board members to be appointed save one (1), without prejudice to provisions concerning gender balance and pursuant to applicable laws and regulations; (ii) the remaining seat on the Board shall be awarded to the first candidate on the list that obtained the second highest number of votes and that is not linked in any way, whether directly or indirectly, with the Shareholders who submitted or voted in favour of the list that obtained the highest number of votes.

It should be noted that Brembo's By-laws does not provide for the possibility for the outgoing Board of Directors to submit its own list.

---

**4.3. COMPOSITION OF THE BOARD OF DIRECTORS FOR THE THREE-YEAR PERIOD 2023-2025**

The Ordinary Shareholders' Meeting held on 20 April 2023 confirmed the number of Board members at eleven (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, based on the two lists submitted respectively by the majority shareholder Nuova FourB S.r.l. and a group of Asset Management Companies and other institutional investors (holding 2.372% of the share capital, overall).

The candidates for the three-year period 2023-2025 were nominated on the basis of the guidelines expressed by the

then outgoing Board of Directors regarding the qualitative and quantitative composition of the new Board of Directors (total number, number of independent directors, length of term, gender balance, professional skills) and the related remuneration, published on 2 March 2023 and described in the Directors' Report on the appointment of the Board of Directors, made available on the Company's website on 10 March 2023. These guidelines aimed to ensure an adequate balance and consistency between the competences within the Board of Directors and the Board Committees, as well as a gradual turnover of Directors, while guaranteeing the stability and continuity of management of the Board of Directors.

## COMPOSITION OF THE BOARD OF DIRECTORS AND BOARD COMMITTEES – 2023

BOARD OF DIRECTORS													AUDIT, RISK & SUSTAINABILITY COMMITTEE / RELATED PARTY TRANSACTIONS COMMITTEE	2023 AGM	REMUNERATION & APPOINTMENTS COMMITTEE
OFFICE HELD	NAME AND SURNAME	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT (*)	IN OFFICE FROM	IN OFFICE UNTIL	LIST (**)	NON-EXEC.	INDEP. AS PER CODE	INDEP. AS PER TUF	ATTENDANCE RATE AT 2023 MEETINGS (***)	OTHER OFFICES HELD (****)	ATTENDANCE RATE AT SHAREHOLDERS' MEETINGS	MEMBER	MEMBER	
Executive Chairman	Matteo Tiraboschi	1967	24.04.2002	20.04.2023	Approval of FS at 31.12.2025	Ma	X			100%	-	100%			
Chief Executive Officer	Daniele Schillaci	1964	28.06.2019 (co-option)	20.04.2023	Approval of FS at 31.12.2025	Ma	X			100%	-	100%			
Director	Cristina Bombassei	1968	16.12.1997 (co-option)	20.04.2023	Approval of FS at 31.12.2025	Ma	X			100%	1	100%			
Director	Roberto Vavassori	1959	17.12.2021	20.04.2023	Approval of FS at 31.12.2025	Ma	X			100%	-	100%			
Director	Elisabetta Magistretti	1947	23.04.2020	20.04.2023	Approval of FS at 31.12.2025	Ma		X	X	100%	1	100%	X (Chair) 100%		
Director	Elizabeth M. Robinson	1956	23.04.2020	20.04.2023	Approval of FS at 31.12.2025	Ma		X	X	100%	-	100%		X 100%	
Director (LID)	Manuela Soffientini	1959	03.03.2022 (co-option)	20.04.2023	Approval of FS at 31.12.2025	Ma		X	X	100%	3	100%	X 100%	X 100%	
Director	Gianfelice Rocca	1948	29.04.2011	20.04.2023	Approval of FS at 31.12.2025	Ma		X	X	100%	7	100%			
Director	Umberto Nicodano	1952	03.05.2000	20.04.2023	Approval of FS at 31.12.2025	Ma		X		100%	-	100%			
Director	Giancarlo Dallera	1946	20.04.2023	20.04.2023	Approval of FS at 31.12.2025	Ma		X	X	100%	-	100%		X (Chair) 100%	
Director	Michela Schizzi (*****)	1982	20.04.2023	20.04.2023	Approval of FS at 31.12.2025	Mi		X	X	100%	1	100%	X 100%		
Number of meetings held during the year of reference								(2023)		BoD: 10	Shareholders' Meetings: 2	Audit, Risk & Sustainability Committee: 11	Remuneration & Appointments Committee: 3		
DIRECTORS WHO LEFT OFFICE IN 2023															
Director	Valerio Battista	1957	20.04.2017	23.04.2020	Approval FS at 31.12.2022	Ma		X	X	50%	n.a.	-			
Director	Nicoletta Giadrossi	1966	20.04.2017	23.04.2020	Approval FS at 31.12.2022	Mi		X	X	100%	n.a.	-	X 100%	X (Chair) 100%	

(\*) This column shows the date on which the Director was appointed by the General Shareholders' Meeting as a Director of Brembo for the first time; 'co-option' means the date of co-option by the Board of Directors.

(\*\*) This column indicates the list from which each Director was appointed ("Ma": majority list; "Mi": minority list). It should be noted that Brembo S.p.A.'s By-laws does not provide for the possibility for the outgoing Board of Directors to submit its own list.

(\*\*\*) This column shows the Directors' attendance rate at the meetings held by the BoD or Board Committees in 2023 (No. of times attended/No. of meetings held during the Director's actual term of office).

(\*\*\*\*) This column shows the number of Directorships or Auditorships held in other companies, including in companies listed on regulated markets, including foreign markets, financial companies, banks, insurance companies and large companies. Said information can be obtained from Directors' individual statements. It should be noted that the maximum number of Directorships and Auditorships in listed companies is set at four (4). Positions at listed companies in which the Director also holds a significant equity interest should not be considered. The positions of each Director are indicated in his or her respective Professional Profile.

(\*\*\*\*\*) It should be noted that Director Gianfelice Rocca qualified as independent due to the consolidated principle of the prevalence of substance over form (since the renewal of his appointment as Director of Brembo follows nine years of completed service in office). This was also in view of the professionalism and dedication that he has always shown and his active, punctual participation in Board meetings, and to his speeches and thoughts that have enriched and instilled quality into debate within the Board towards the resolutions passed, while also maintaining complete independence of judgement.

(\*\*\*\*\*) The candidature of Director Michela Schizzi was submitted by a group of Shareholders representing 2.372% of the share capital — General Shareholders' Meeting held on 20 April 2023.

The BoD's self-assessment activities performed through the analysis and evaluation of the individual statements upon appointment and verification thereof each year (the last time during the meeting held on 5 March 2024), confirmed the following:

- all the appointed Directors meet the requirements of personal integrity, professionalism and respectability imposed by applicable statutory and regulatory provisions;
- the Non-executive Directors and those who can qualify as Independent Directors meet the requirements set by Article 148, paragraph 3, of TUF, and/or by the 2020 CGC and Brembo CGC, as indicated in the table at page 25. The table also specifies the Directors' respective roles within the Company, their attendance rate at the Board of Directors' meetings held in 2023, their seniority of service, and the number of positions held with other relevant companies;
- at least two-fifths (2/5)<sup>15</sup> of the BoD consists of the less-represented gender;
- no Directors reported circumstances requiring the submission of a report by them for the purpose of a departure from the competition principle;
- an Executive Director (R. Vavassori) is also a Director of a company 50% owned by Brembo S.p.A. (BSCCB S.p.A.); no other Director holds positions in Subsidiaries of the Group.

---

## PROFESSIONAL PROFILE OF THE DIRECTORS CURRENTLY IN OFFICE

A short professional profile of each Director, with his/her personal and professional features, is included hereinafter, and is also available on the Company's website<sup>16</sup>.

### MATTEO TIRABOSCHI

#### Executive Chairman

Born in Bergamo in 1967, he has been Executive Chairman of Brembo Group since December 2021. From 2011 to 2021 he held the role of Executive Deputy Chairman and since 2002, the year he joined the company as Chairman of a subsidiary, he has been a member of the Board of Directors of Brembo S.p.A.

He has served in roles of increasing responsibility at Brembo, including at an international level, such as Head of Foreign Subsidiaries and Group CFO and Investor Relator. After obtaining a degree in Economics and Business from the Uni-

versity of Bergamo, and after being admitted to the Bergamo Accountants Association and the Register of Statutory Auditors in 1995, he began his career at the Milan offices of a major auditing firm, where he remained for approximately four years. He then went into private practice for ten years as a Certified Public Accountant specialising in restructuring of companies undergoing a crisis situation, bankruptcy proceedings, taxation and corporate matters, while also serving as Director and Statutory Auditor at various companies.

He has served as Director of two Italian SPACs and he has been a member of the Board of Directors of Milan Polytechnic since January 2017.

### DANIELE SCHILLACI

#### Chief Executive Officer (CEO)

Chief Executive Officer of the Company since 1 July 2019.

Daniele Schillaci was born in Sicily, Italy, in 1964. After graduating in Industrial Technologies Engineering at Milan Polytechnic in 1993, he has gained an experience of over 25 years in the automotive sector covering increasingly complex roles at an international level.

After his initial experience at Renault and then as Alfa Romeo Brand Manager at Fiat Auto, Schillaci joined Toyota covering positions of increasing responsibility in Spain and France until he was appointed Senior Vice President, Sales & Marketing Toyota Europe.

Since July 2015, he has worked in Japan in the role of Executive Vice President and Executive Committee Member of Nissan Motor Corporation, with responsibility as Head of Global Sales & Marketing and Electric Vehicles for all the constructor's brands — Nissan, Datsun, Infiniti — focusing specifically on car production and market positioning. He also served as President of Japan & Asia Region with responsibility for production, engineering, design, sales and marketing, as well as administration and finance and led Nissan's "Zero Emission Vehicles" project.

### CRISTINA BOMBASSEI

#### Director in charge of the Internal Control and Risk Management System

Cristina Bombassei has been a Director of Brembo S.p.A. since 1997 and Chief CSR Officer, tasked with promoting the Brembo Group's commitment to Corporate Social Responsibility, since 2013.

She is a Director of the Kilometro Rosso Scientific and Technological Park.

Since 2023, she has been President of AIDAF, the Italian Association of Family Businesses.

<sup>15</sup> Minimum quota of the less-represented gender in the corporate bodies of listed companies (Law No. 160 of 27 December 2019), in force at the date of appointment of the Board of Directors (General Shareholders' Meeting of 23 April 2020) for the three-year term 2020-2022, as well as for the three-year term 2023-2025.

<sup>16</sup> [www.brembo.com](http://www.brembo.com), section Company, Corporate Governance, Governing Boards and Committees.

At Confindustria Nazionale she holds the position of President of the Technical Corporate Social Responsibility and Sustainability Group and is also a Member of the General Council of Confindustria Bergamo.

She seats on the Board of Directors of OTB – Only The Brave. She is a member of the Board of the Sodalitas Foundation. She sits on the Leonardo Committee's Executive Board.

She was made a Commander of the Order of Merit of the Italian Republic in 2021.

and named as one of Forbes magazine's '100 successful Italian women' in 2018.

Additionally, she is an Honorary Member of the Fondazione Cesvi humanitarian organisation.

### **ELISABETTA MAGISTRETTI**

#### **Independent Director**

Italian citizen.

She has been Non-executive Independent Director of Brembo S.p.A. since April 2020.

She graduated with honours in Economics and Business Administration at Bocconi University of Milan. She is registered in the Certified Public Accountants Register, as well as in the Auditors Register.

From 1972 to 2001, she worked for Arthur Andersen becoming a partner in 1984.

In 2001, she became Central Manager Head of Administration Governance at UniCredit. From 2006 to 2009, she served as Head of Group Internal Audit Department within UniCredit.

She has also been Management Board member of Italian National Accounting Body and BoD member of the Interbank Deposit Protection Fund (until 2009), as well as member of the Supervisory Board of EFRAG.

From 2011 to 2016, she served as Non-executive Independent Director of Pirelli & C. S.p.A., and from 2012 to 2020, as Non-executive Independent Director of the Luxottica Group S.p.A. Until October 2023, she served as Non-executive Independent Director of Mediobanca Banca di Credito Finanziario S.p.A. She currently serves as Non-executive Director at Smeg S.p.A. She is a member of the Board of Statutory Auditors of the UniCredit Foundation ETS and of Fondazione Italiana Accenture ETS, as well as member of the Executive Board of the "Per Milano Onlus" association and of the Management Committee of the "Associazione per Milano" Fund.

### **ELIZABETH MARIE ROBINSON**

#### **Independent Director**

Co-founder and Vice Chairwoman of Indaco Venture Partners SGR. Previously, she served as Investment Director Venture Capital at Quadrivio SGR from 2014 to mid-2018, when she left that role to found Indaco.

She also served as Venture Consultant for Sofinnova Part-

ners in Paris from 2005 to 2008. She has been an angel investor for over 10 years. Elizabeth has broad experience in life sciences and the development and granting of licences for innovative pharmaceutical products.

She was a co-founder of NicOx S.A.(1997) and President of NicOx Research Institute from 2006 to November 2022. She is a member of the Board of Directors of Brembo S.p.A., a listed company. Previously, she served on the Board of Directors of several companies operating in the life sciences sector in Italy including MolMed S.p.A. She was a member of the Fulbright Committee in Italy from 2007 to 2020. She is a Board member of the Penta Foundation, a no profit organisation aiming to develop treatments for paediatric infectious diseases.

She is also committed to actively supporting the education of girls living in underdeveloped areas and the cultural development of Italy's rural areas.

In her career, Elizabeth has served as Director, Product Development, at Recordati Italy (1990-1996); Consultant, Technology Development, at Techint Engineering Company (1988-1990); Vice President, New Technology Ventures Europe, at Genzyme (1985-1988); Visiting Scientist at MIT (1984-1987); and Post Doctorate Research Associate at MIT (1982-1984). Elizabeth graduated Phi Beta Kappa from Wellesley College in 1977, received her M.S. in Chemical Engineering from Massachusetts Institute of Technology in 1979 and her Ph.D. in biotechnology from MIT in 1982.

### **MANUELA SOFFIENTINI**

#### **Independent Director**

She graduated in Economics in 1983 at Cattolica University of Milan. She started her professional career at Henkel reaching the position of Product Manager Perlana and Dixan. From 1990 up to 1997, she worked as Marketing Manager first, and then as Marketing and Sales Director at Nuova Forneria.

In 1997, she entered Philips Lighting as Manager Consumer Lamps and Batteries to develop the penetration of Philips in the Italian market; in 2001, she was appointed General Manager of Philips DAP Italy and in 2008, she became VP Managing Director of Philips Consumer Lifestyle.

In May 2012, she took on the position of Chairwoman and Managing Director of Electrolux Appliances S.p.A., while in January 2021 she was appointed Chairwoman of Electrolux Italia S.p.A., the Italian holding of the Group.

She was President of Confindustria Applia Italy from 2016 to 2021.

Board member at:

- Pirelli S.p.A. from 2012 to 2016;
- Geox S.p.A. from 2016 to 2019;
- BancoBpm from 2017 to date;
- Brembo S.p.A. from 2022 to date.

**MICHELA SCHIZZI****Independent Director**

Born in Viareggio (Lucca, Italy) on 30 August 1982, she was awarded a second-level university degree in Law by La Sapienza University of Rome in 2006. In 2009, she also obtained an LLM in European Law from King's College of London and was admitted to the practice of law. In 2006, she joined the Rome office of the international law firm Cleary Gottlieb Steen & Hamilton LLP as an associate. In 2012, she joined Snam S.p.A., where she occupied positions of increasing responsibility, up to the role of Senior Vice President Regulated Business Legal Affairs. Within the Snam Group, she was also a member of the Board of Directors and of the Audit Committee at various foreign companies of the group. In 2020, she joined the Legal Department of the holding company of the Allianz insurance group, where she was responsible for the group's M&As at the global level. She took on the role of General Counsel at the Cerved Group at the end of 2022. She has been a Director of GVS S.p.A. since June 2020.

**GIANCARLO DALLERA****Independent Director**

Founder and Executive Chairman of Cromodora Wheels S.p.A., a leading designer and manufacturer of alloy rims for major car manufacturers such as Porsche, Audi, BMW, Mercedes, JLR and Maserati.

From 1985 to 2000, he led — first as Chief Executive Officer and then as Group President — the Hayes Lemmerz Group's international Business Units, which operate in the steel and light alloy rims sector with 13 plants located in Europe, South America, South Africa and Asia, where he developed considerable expertise and experience with M&A and restructuring transactions. In 1992, he was part of the executive team that brought Hayes Wheels International Inc. to be listed on the NYSE.

He currently sits on the Boards of Directors of the following companies: Banca Crelove, of which he is a founding shareholder; and Guido Glisenti S.p.A., a company operating in the metallurgy sector.

He was also a Director of Brembo S.p.A. from 2003 to 2017. From 2009 to 2013, he was President of the Brescia Industrial Association.

In June 2018, he was granted the Italian honorary title of "Cavaliere del Lavoro".

**UMBERTO NICODANO****Non-executive Director**

A Director of Brembo S.p.A. since 2000.

A partner in the law firm BonelliErede since its foundation, he deals primarily with extraordinary finance transactions and matters of corporate governance and succession.

He has gained an extensive experience as Director and mem-

ber of committees within listed and private companies. He sits on the Board of Directors of various companies including Valentino, Kerakoll, Miroglio and Illva Saronno Holding.

**GIANFELICE ROCCA****Independent Director**

He is Chairman of the Techint Group, which includes the companies Tenaris, Ternium, Tenova, Techint E&C, Tecpetrol and Humanitas. A recognised global leader in the iron and steel, energy and infrastructure sectors, last year the Group reported annual revenues of USD 33.5 billion and a headcount of approximately 59,555.

In the 90s, he founded the Humanitas Clinical Institute, a general hospital among the most renowned in Europe: an international centre of research, teaching and case management of Harvard University.

He has been a member of the Board of Directors of Luigi Bocconi Business School since November 2014. In July 2017, he was named a member of the Board of Directors of the Leonardo Da Vinci National Museum of Science and Technology Foundation. In June 2020, he was appointed Special Advisor Life Sciences within Confindustria.

In Italy, he sits on the Board of Directors of Brembo S.p.A., and is also a member of the Advisory Board of Milan PolYTECHNIC.

From June 2013 to June 2017, he was President of Assolombarda, the largest territorial association of entrepreneurs in Italy. For eight years — from May 2004 to May 2012 — he was Vice President of Confindustria in charge of Education, and from June 2012 to June 2016 he was a member of the Executive Board of EIT (the European Institute of Innovation and Technology).

At the international level, he is Vice President of the Aspen Institute and also a member of its Executive Board, in addition to being a member of the European Advisory Board of Harvard Business School and a member of the ERT (European Round Table of Industrialists).

Active in social and charity initiatives, he is President of the Fondazione Rocca and the Fondazione Fratelli Agostino ed Enrico Rocca. In April 2023, he was appointed Vice President of the Giorgio Cini Foundation.

In 2007, he was granted the Italian honorary title of "Cavaliere del Lavoro" and in 2009 he was awarded an honorary degree in Management Engineering from Milan Polytechnic. In 2010, the President of the Italian Republic, Giorgio Napolitano, awarded him the "2009 Leonardo Prize" for his contribution to the strengthening of the Italian international expansion in the steel, energy and infrastructure industries.

In 2018, he was awarded the honorary title of "Commendatore" by President of the Italian Republic Sergio Mattarella for his dedication and contribution to Italy's economy.

He graduated *with honours* in Physics from the University

of Milan and completed a PMD at Harvard Business School in Boston.

He lives in Milan, is married and father of two children.

#### **ROBERTO VAVASSORI**

##### **Executive Director**

A manager of just over 60 years of age, he joined Brembo in 1978 as a part-time employee and was hired as a manager in 1986. Italian nationality, knowledge of English at mother tongue level and German at basic level. His entire career, after graduating and qualifying as a chartered accountant and auditor, took place in the automotive world at the Brembo Group and in roles of increasing responsibility, especially in the multinational sphere. In his various responsibilities, he has always worked closely with the ownership, the Board and the CEO, depending on the tasks assigned. He is known and respected as an expert in the automotive sector, its dynamics and in particular the evolution of future trends and regulations, both within the industry community and the financial community. He is a regular speaker at conferences and seminars, including international ones.

He is aware of extra-sectoral and geopolitical trends and phenomena, in particular related to decarbonisation and energy transition issues. He is familiar with the Italian, European and international regulatory frameworks of the sec-

tor and regularly interacts with Italian and European legislative authorities. He can draft, read and interpret complex and strategic financial and business reports and plans. He is familiar with typical corporate development transactions and has actively participated in more than twenty acquisition transactions during his career. He is currently a board member of high-level scientific and cultural institutions. Thanks to his work experience, he has an excellent knowledge of Brembo's products and processes. He is currently Vice Chairman of BSCCB S.p.A., a 50/50 joint venture between Brembo and the German group SGL for the development and production of carbon ceramic disc brakes, with two plants, located in Italy and Germany.

He is a member of the General Council of Confindustria Bergamo. From 2012 to 2015, he was President of ANFIA, the Italian Association of the Automotive Industry, and was then re-elected in June 2023. From 2016 to 2019, he was President of CLEPA, the Brussels-based European Association of Component Manufacturers, which is a permanent contact point for the European institutions on mobility issues, and is a member of the Board. He is Managing Director of Kilometro Rosso. He is a member of the Board of Directors of the Istituto di Ricerche Farmacologiche Mario Negri IRCCS. He is a councilor of the International Piano Festival of Brescia and Bergamo.

#### **4.4. DIVERSITY CRITERIA AND POLICIES IN THE COMPOSITION OF THE BOARD AND THE COMPANY'S ORGANISATION**

Brembo's Board of Directors approved, applied — already from the Board's 2017-2019 term of office — and constantly updated the Board of Directors' Diversity Policies and Criteria, which provide for new criteria, based on as objective a foundation as possible, in addition to those established by applicable laws and regulations, relating to the professionals to propose as candidates in order to ensure that the composition of the Board of Directors is adequate to the Group's size, position, complexity, specific industry and strategies. These criteria take account of the adjustment of the minimum quota reserved to the less represented gender in the corporate bodies introduced by Law No. 160, of Law 27 December 2019.

The Board of Directors' Diversity Policies and Criteria, indicated in the Brembo CGC and the Regulations of the BoD (and in line with the 2020 CGC), as described below, aim at ensuring the appointment of Board members who have an optimal combination of skills and professional background and form the basis of the diversity policies for the Governing Body's composition not only with regard to gender, but

also experience, professionalism, age and other relevant aspects. Within these criteria, qualitative and quantitative criteria have also been formulated to be used to assess the significance of the relationships being examined for the purposes of assessing the independence of the Directors.

These criteria, together with indications that emerged from the 2022 BPE and the guidelines expressed and published by the outgoing BoD — called "Guidelines of the outgoing Board of Directors of Brembo S.p.A to Shareholders on the qualitative and quantitative composition of the Board of Directors" —, constituted the basis of reference for the Company's Shareholders to assess the candidates to be nominated for the appointment of the new company officers for the three-year term 2023-2025 during the General Shareholders' Meeting called to approve the Financial Statements for the year ended 31 December 2022 (20 April 2023), with the aim of ensuring an optimal composition of the Board of Directors, with an ideal mix of skills, experience and professionalism among the Board members.

## DIVERSITY POLICIES AND CRITERIA IN THE COMPOSITION OF THE BOARD OF DIRECTORS (Article 2 – Composition of the Corporate Bodies; Article 3 – Functioning of the governing body)

### ADDITIONAL DIVERSITY CRITERIA (Brembo Corporate Governance Code – Article 2 - Composition of the Corporate Bodies)

#### QUANTITATIVE FEATURES

Age	<i>Independent Directors</i> : a maximum age of 78 and a minimum age of 35 (at the date of submission of the lists for the purpose of a potential candidacy). Reaching the maximum age limit will not be considered mid-term and, if reached, will not entail any forfeiture.
Overall number	11
No. of Non-executive Directors	At least 7
No. of Independent Directors	At least 5
No. of minority Directors	At least 1 (or more than 1, where required by the By-laws).
Gender	Quota reserved to the less represented gender in accordance with legislation applicable from time to time <sup>17</sup> .
Alternation	Change of a maximum of 3 Directors each time the Board is elected, in order to ensure continuity of management, while also providing an incentive for the progressive election of new Directors.
Seniority of service	<i>Independent Directors</i> : persons who have already served three (3) terms on the Company's Board of Directors cannot stand as candidates for the office of Director.
No cross-directorships	<i>Executive Directors</i> : they cannot be directors of another company (not belonging to the same Group) of which a company director is the Chief Executive Officer.

#### QUALITATIVE FEATURES

Skills <i>Background</i>	<ul style="list-style-type: none"> <li>At least four positions must be filled by entrepreneurs or managers who have an international background and/or are from a geographical area where Brembo's business has a significant presence.</li> <li>A maximum of two positions may be filled by academics and/or professionals.</li> </ul>
Hard skills <i>Professionalism</i>	<ul style="list-style-type: none"> <li>Record of honouring shared ethical principles.</li> <li>Knowledge of business mechanisms, strategies, risk assessment and management techniques and sustainability profiles.</li> <li>Ability to interpret industry scenarios and trends, performance of competitors and development of enterprises in the medium-to-long term and to assess alternative strategic guidelines and options with a view towards strategic orientation.</li> <li>Managerial, entrepreneurial, business and organisational experience.</li> <li>Understanding of the dynamics of the global financial system.</li> <li>Experience as director or auditor, or as executive or manager, of listed or medium-to-large enterprises.</li> <li>Managerial, professional or university lecturer experience in legal, economic, business or technical disciplines.</li> </ul>
Soft skills <i>Personal aptitudes</i>	<ul style="list-style-type: none"> <li>Sufficient time commitment in view of the complexity of the assignment (see also "Maximum number of positions" below).</li> <li>Full understanding of the powers and obligations inherent in the position and the functions to be performed.</li> <li>Ability to stand up for and defend his or her own ideas and take a stand for the interest of Brembo and its stakeholders.</li> <li>Collaboration, involvement and ability to influence (knowing how to instil and contribute to professionalism and the development of opinions and taking a part in resolving conflicts).</li> <li>A result-oriented approach and encouragement of colleagues in focusing constructively on the goals to be achieved.</li> <li>Business judgement and decision-making ability (encouraging behaviour and ensuring evaluation and decision-making skills focused on developing the business).</li> </ul>
No competition	Candidates for the office of Director cannot have or accept consulting assignments from competitors.

<sup>17</sup> Article 1 of Italian Budget Law No. 160 of 27 December 2019.

**BREMBO CORPORATE GOVERNANCE CODE**  
**(Article 3 – Functioning of the governing body and role of the Chairman)**

Relevant positions	The Directors shall accept their appointment when they deem they can devote the necessary time to the diligent performance of their duties, taking account, among other things, of the commitment resulting from their job and professional tasks, the number of positions they hold as Directors or Statutory Auditors in other companies listed on regulated markets (including foreign markets), financial companies, banks, insurance companies and large companies. Large companies are defined as companies that reported total sales or turnover exceeding €500,000,000.00 (five hundred million euros) in the last financial year.
Maximum number of positions	<p>The time commitment required of Directors does not consist solely of participation in Board meetings, but also extends to an analysis of the documentation sent in view of each meeting, participation in Board Committees and participation in informal and/or induction sessions. It is therefore essential that Directors have sufficient time to carry out their duties. Directors may not have more than 4 simultaneous positions at listed companies (positions at listed companies in which the Director also holds a significant equity interest do not count).</p> <p>The Board of Directors conducts an assessment based on the statements made by the Directors (or candidates for the position of Director) and the following criteria:</p> <ul style="list-style-type: none"> <li>• professional competence and independence of judgement;</li> <li>• time commitment, active and constant participation in the meetings of the Board of Directors, Board Committees and various management activities of the Company, also in light of their professional commitments;</li> <li>• any relationship that may be or appear such as to compromise the independence of judgement of the Director.</li> </ul>

Upon appointment (20 April 2023) and subsequently, at the Board meeting on 5 March 2024 (as well as within the 2023 BPE), based on the statements issued by each Director and the professional profile thereof, and including in light of the assessments expressed with regard to individual positions by the Remuneration & Appointments Committee convened on 23 February 2024, it was assessed whether the current Board met/continued to meet the above requirements.

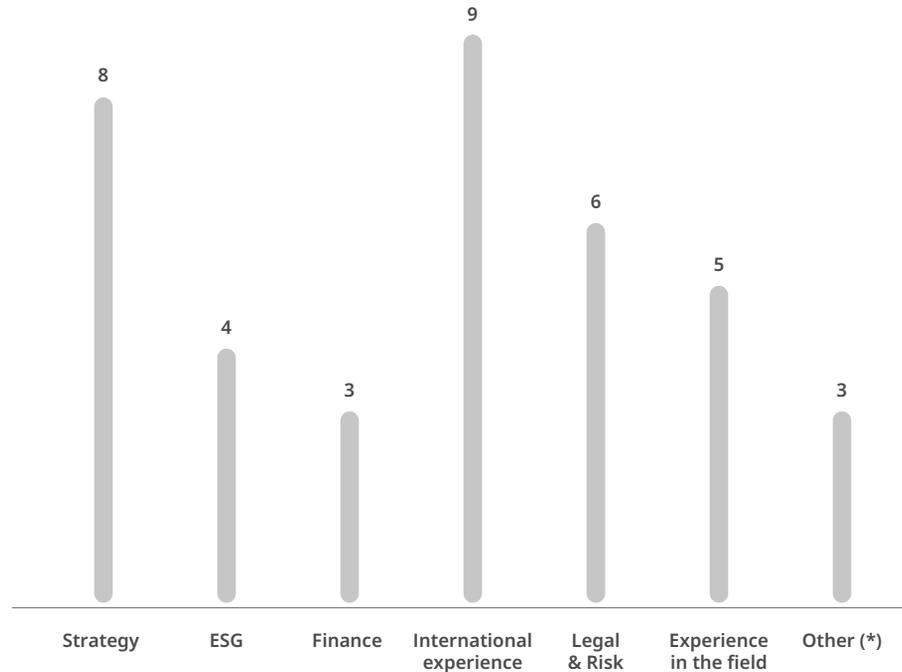
Within this process it was found that the Board of Directors currently in office<sup>18</sup> represents a combination of professional skills and managerial expertise, including at an international level, that meets the requirements of integrity, independence and gender balance established in laws, regulations, and the By-laws in force at the time of its appointment.

This is also borne out by the results of the 2023 BPE (the outcome of which is discussed in detail in paragraph 7.1 below), in which the Directors confirmed the adequacy of the composition and size of the Board and expressed the belief that Brembo's governing body has always distinguished itself for having profiles with experience, international standing and expertise suited to facing the present and future issues relevant to the Company. The main characteristics that arose from the previous BPEs included the fact that Directors had a strong understanding of the role that they perform within the Board of Directors, as well as adequate knowledge of the Company's objectives. In addition, it has always been made up of personalities with diversified knowledge in various sectors that allow the Company to have a comprehensive overview of various subjects.

<sup>18</sup> Appointed by the General Shareholders' Meeting on 20 April 2023; it will remain in office until the Shareholders' Meeting called to approve the Financial Statements for the year ending 31 December 2025.

## BOD'S SKILLS MATRIX 2023-2025<sup>19</sup>

### Directors' skills emerged from the questionnaire



(\*) "Other" includes the further skills not included in the list that each Director has declared on an autonomous basis.

With reference to the Company's organisation, diversity is a strength for a global Company like Brembo, which operates and is constantly confronted with very diverse situations from the economic and cultural point of view. Every day, Brembo is committed to promoting an inclusive environment that ensures people's sense of belonging and

encourages them to feel they are leading characters in the Group's success, fostering a culture of diversity from the moment they are hired and respecting the points of view, voices, individualities and special qualities of each person. For further details, see the Disclosure of Non-Financial Information available on the Company's website.

#### 4.5. MAXIMUM NUMBER OF POSITIONS HELD AT OTHER COMPANIES

At the time of appointment and annually thereafter, during a specific Board session (the last was held on 5 March 2024), the Board of Directors verifies the compatibility of the positions held by Directors in other companies based on examination and assessment of the Directors' individual statements, as well as in accordance with the Brembo CGC and the Regulations of the BoD (most recently updated on 16 December 2022).

With regard to concurrent positions, the Brembo CGC provides as follows:

- a maximum of four (4) positions at listed companies. Positions at listed companies in which the Director also holds a significant equity interest do not count;
- that the time commitment required of Directors does not consist solely of participation in Board meetings, but also extends to an analysis of the documentation sent in view of each meeting, participation in Board Committees and participation in informal and/or induction sessions. It is therefore essential that Directors have sufficient time to carry out their duties;
- an assessment by the Board of Directors based on the

<sup>19</sup> The professional skill set that emerged from the individual questionnaires submitted to Directors as part of the 2023 Board Performance Evaluation.

statements made by candidates for the position of Director and on the following criteria:

- professional competence and independence of judgement;
  - time commitment, active and constant participation in the meetings of the Board of Directors, Board Committees and various management activities of the Company, also in light of their professional commitments;
  - any relationship that may be or appear such as to compromise the independence of judgement of the Director.
- companies listed on regulated markets, including foreign markets;
  - banks, financial and insurance companies;
  - large companies (companies that reported total sales or turnover exceeding €500,000,000.00 in the last financial year).

In 2023, the Board of Directors confirmed, based on the criteria set out above, that the positions held by Directors in other companies met the necessary requirements and were compatible with discharging their duties in an effective and constant manner. The number of positions held by each Director is indicated in the table on page 25.

Moreover, the Brembo Corporate Governance Code identified as relevant the positions held in the following categories of companies:

#### 4.6. INDUCTION PROGRAMME

Brembo organises an induction programme structured in several sessions and dedicated to Directors and Statutory Auditors, in particular the newly appointed ones, aimed at providing an adequate understanding of the Company and the business industry in which the Group operates, its products, company dynamics and their evolution, including with a view to Sustainable Success, as well as its organisational structure, the principles of proper risk management, applicable laws and regulations and major trends that may have an impact on the current performance and the Group's short-, medium- and long-term growth strategy.

Continuous training programmes and personalised follow-ups are offered based on the particular interests or responsibilities that individual Directors may assume within Board Committees or to focus on the specific issues driving the need for in-depth analysis expressed at meetings of the Independent Directors and in the findings of the Board Performance Evaluation. Among these initiatives, worthy of note is the BoD' meeting for the examination of the Business Plan and the related risks, which is convened on an annual basis.

Following the appointment of the new corporate bodies at the General Shareholders' Meeting held on 20 April 2023, the Company organised the Basic Induction Programme designed to provide adequate knowledge of the business sector in which Brembo operates, its products, company dynamics and their evolution, the principles of proper risk management, applicable laws and regulations, in line with the recommendations of the Borsa Italiana Corporate Governance Code. The Basic Induction Programme was struc-

tured into 20 sessions, divided in 7 sections, with several speeches held mainly by C-Suite managers of Brembo.

In addition to the Basic Induction Programme, during Board sessions additional follow-ups were conducted with regard to the Company's strategic market positioning and new product/process/production development/digital transformation/automotive sector trends. Detailed reports on new legislation and regulations of interest to Brembo, supported by specific documentation prepared by the Legal and Corporate Affairs Department, were provided for induction purposes in Board meetings, and included in the Work files of each meeting (responsibility of the Secretary of the Board of Directors and the Chief Legal and Corporate Affairs Officer).

Lastly, on 18 July 2023 a specific training session hosted by Dutch law experts was also organised to examine the main aspects of the Corporate Governance Code in force in The Netherlands.

Induction activities organised in 2023 are indicated in the table below.

In the 2023 BPE, the induction programme was found to be well organised and structured. The initiatives that allowed the newly appointed (and existing) Directors and Statutory Auditors to improve their knowledge of the Company's business sector and come into direct contact with the Heads of the various GBUs/GCFs were also found to be effective.

## INDUCTION SESSIONS FOR THE BOARD OF DIRECTORS IN 2023

INDUCTION SESSIONS	NUMBER AND DURATION OF SESSIONS	RECIPIENTS	DATE	ACTIVITIES DESCRIPTION
Basic Induction	20 (ca. 60 minutes each)	Newly appointed Directors and Statutory Auditors + Non-executive Directors	May 2023 – January 2024	Basic Induction Programme
Induction for the Remuneration & Appointments Committee	2 (ca. 30 minutes each)	Members of the Remuneration & Appointments Committee, Chairman of the Board of Statutory Auditors	23.11.2023	Gender Equality Certification
Induction for the Audit, Risk & Sustainability Committee	3 (ca. 30 minutes each)	Members of the Audit, Risk & Sustainability Committee, Board of Statutory Auditors and Supervisory Committee	27.10.2023	New provisions on non-financial reporting introduced by the new CSRD – Corporate Sustainability Reporting Directive (Directive 2022/2464/EU)
Induction for Directors	1 (2 hours and 30 minutes)	Directors	18.07.2023	Dutch Corporate Governance Code
Induction for the BoD (follow-ups during Board meetings)	6 (ca. 1 hour and 30 minutes each)	All Directors and Statutory Auditors	02.03.2023 09.05.2023 22.06.2023 07.11.2023	Automotive market performance and outlook
			07.11.2023	231 changes introduced by Article 25- <i>novies</i> of Legislative Decree No. 231/01; Copyright Infringement+ Article 353 of the Italian Criminal Code; Bid rigging; Article 353- <i>bis</i> of the Italian Criminal Code; Interference with the tender process; Article 512- <i>bis</i> of the Italian Criminal Code – Fraudulent transfer of values)
			19.12.2023	Follow-up on the international geopolitical situation and the related impacts on the automotive sector

## 4.7. FUNCTIONING OF THE BOARD OF DIRECTORS

The Regulations of the BoD are a tool recommended by the 2020 CGC and Brembo adopted them for the first time in November 2017 (most recently updated on 16 December 2022) to identify the criteria for its optimal composition and the rules and procedures for its functioning, in particular to ensure effective management of board reporting.

A description of the concrete functioning procedures is provided here below.

### 4.7.1. MEETINGS OF THE BOARD OF DIRECTORS

#### 2023 Meetings

In 2023, the Board of Directors met on ten (10) occasions, of which four (4) according to the company calendar published. The average length of meetings was approximately three hours. The meetings saw the regular participation of both Directors and the members of the Board of Statutory Auditors.

The attendance rate at meetings was very high, as indicated in the table on page 25.

The heads of the company functions were regularly invited to participate in the meetings of the Board of Directors to provide appropriate clarification for the various items on the agenda.

### 2024 Meetings

In the fourth quarter of each year, the BoD approves the calendar of meetings scheduled for the following year, inclusive of the planned date of the annual Shareholders' Meeting. This calendar is drawn up by the Secretary on the basis of the availability of the Directors and Statutory Auditors to ensure their maximum participation in Board meetings and the Shareholders' Meeting. The calendar calls for meetings with a regular frequency to ensure effective performance of Board functions. Once approved by the BoD, the annual calendar of the main company events for the following year is then made public by 30 January of the year to which it refers.

The 2024 calendar approved by the Board of Directors on 4 December 2023 and then published calls for four (4) meetings to review interim financial data. These were in addition to ad-hoc meetings, such as the meeting dedicated to the analysis of the strategic Business Plan.

At the date of publication of this Report, the BoD held one (1) meeting on 5 March 2024, with the aim of examining and discussing the 2023 Financial Statements, the 2023 Disclosure of Non-Financial Information, and the 2024 Remuneration Policies, as well as the items, documents and proposals to be submitted to the Shareholders' Meeting convened on 23 April 2024.<sup>20</sup>

### Content of additional periodic reporting

After Brembo's exit from the STAR segment of Borsa Italiana effective 3 May 2017, Brembo decided that it will continue to publish — on a voluntary basis — its interim financial reports, as previously announced, and in a manner consistent with the information made available until now, and until otherwise provided for by the Board of Directors. Content, timescales and methods of voluntary periodic financial reporting are also published on the Company's website ([www.brembo.com](http://www.brembo.com), section Investors, Calendar).

### Calling and holding the BoD Meetings

Board meetings are called and held in accordance with the By-laws and in compliance with legal obligations, and in particular:

- they are chaired by the Chairman of the BoD and, in the Chairman's absence, by the eldest Director, and conducted as the chair deems most appropriate to permitting the Board's proceedings to unfold optimally;
- are valid, as well as the related resolutions, even without a formal call, when all the Directors and Statutory Auditors in office are present;
- may be held by telecommunication means that allow participation in the discussion and provide the same information to all those in attendance;
- may be held in Italy or a foreign country in which the Company operates, directly or through subsidiaries or investees;
- they are conducted in Italian. Where deemed necessary or even merely appropriate by the person chairing the meeting, simultaneous translation service may be made available to the meeting's participants.

The related resolutions are approved pursuant to law and the By-laws.

The Agendas of meetings focus on four macro-areas:

- financial and periodic reporting aspects;
- strategic aspects (e.g., strategies, product diversification, trends in reference markets, digital transformation, automotive sector evolution, as well as acquisitions, asset investment, Subsidiaries' projects, etc.);
- sustainability, materiality, ESG factors and risk aspects;
- governance and compliance aspects.

To provide the appropriate clarification of specific issues put to the examination and approval of the BoD, the Chairman invites the Company's Executives or other external parties or consultants whose presence is deemed useful by the Chairman in view of the subjects to be discussed to participate in the BoD meeting. Such parties will in any event be bound by the confidentiality obligations applicable to Board meetings.

## 4.8. ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

### 4.8.1. CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman ensures, through the Secretary, that the Di-

rectors and Statutory Auditors are provided with access to documentation concerning times on the Agenda suitably in advance of the date of the Board meeting.

<sup>20</sup> See the Notice of Calling and the Illustrative Reports: [www.brembo.com](http://www.brembo.com), section Investors, For Shareholders, Shareholders' Meeting, 2024.

The documentation relating to items on the agenda is normally prepared in Italian.

Documents may also be prepared in English and/or, where deemed necessary and/or even merely appropriate by the person chairing the meeting, may be made available to those requesting that a courtesy translation be made.

In order to ensure that pre-meeting information is timely, complete and adequate, the supporting documentation:

- is prepared by the Secretary of the Board, with brief overviews of each item on the agenda, accompanied by detailed, in-depth reports illustrating the elements to be assessed (in descriptive and numerical terms) required to make the decisions concerned in a fully informed manner;
- is made available to the Directors and Statutory Auditors at least five (5) days before each meeting, except in particularly urgent cases, when it is made available at least two (2) days in advance, through the app “Portale CdA by Brembo” (an application for mobile devices that allows materials to be made available for consultation solely to Directors and Statutory Auditors in office, before and during sessions of the Board, through access with a username and password). The notice period is normally observed. The documentation concerning confidential and strategic projects is presented directly during the meeting, and is made available to the Directors and Statutory Auditors in a protected format to ensure the confidentiality of the data it contains. In such cases, thorough inquiries are conducted during sessions of the Board;
- ensures that the Directors are informed about new laws and regulations relevant for the Company. Moreover, through the Secretary of the Board, it supports the organisation of the Board Induction sessions.

Where deemed necessary, in order to ensure informed participation, the Non-Executive Directors may formulate requests for information or clarification on issues relating to company management, during or outside of Board meetings. In this case, they address their requests — which may be relayed by the BoD's Secretary — solely to the Chairman, who responds at Board meetings either personally or drawing for this purpose on the Executives of the Company and/or the Group to which it belongs.

The Regulations of the BoD also specify the methods of storing and retrieving documentation, which depend on the confidentiality level assigned to each document.

During Board meetings the Chairman ensures balanced

oversight of the Board's proceedings, playing a role of liaison between Executive Directors and Non-Executive Directors, in addition to ensuring the necessary balancing for effective, balanced management of meetings and the decision-making process, while also promoting the effective functioning of the corporate governance system and Board proceedings. With the support of the Secretary of the Board of Directors, the Chairman:

- organises and coordinates the proceedings;
- facilitates dialogue between the executive and non-executive members of the Board of Directors in order to permit constructive debate;
- coordinates with the delegated bodies and requests the necessary information/reports for the Board;
- acts as interlocutor of the control body and of its internal committees;
- invites the Company's Executives to participate in the meeting to provide the appropriate clarification of the specific issues submitted for the Board's examination and approval;
- ensures that the minutes are drafted so as to provide a thorough description of the documentation illustrated and to represent the debate within the Board and what was said by the individual Directors and any Managers involved.

Moreover, with the support of the Board Secretariat, the Chairman promotes initiatives aimed at providing adequate knowledge of the sector in which the Company operates and the related clarification (see paragraph 4.6 – Induction Programme) to Non-Executive Directors.

In this regard, the results of the 2023 BPE confirmed that the adoption of ad-hoc regulations (Regulations of the BoD) and best practices consolidated over time allowed the Company's Board of Directors to adopt an effective, efficient method of work and management of individual meetings. In particular, there was found to be a high level of appreciation of the methods of discussion during Board meetings, considered to be free, open and with appropriate time management: these characteristics allow each session to establish professional, constructive debate.

The BoD's work has always stood out for its critical, analytical and practical approach to the Company's issues. Analysis, follow-ups, debate and open dialogue have always allowed the Board to take decisions in an aware, informed manner. On such occasions, it has been possible to ask questions and build debate aimed at collecting information and new ideas.

#### 4.8.2. BOARD SECRETARY

On the proposal of the Chairman, on 20 April 2023 the BoD confirmed the Chief Legal & Corporate Affairs Officer, U. Simonelli, in his position as Secretary, on the basis of his professional profile and for demonstrating that he possesses adequate competency and experience in matters of corporate law and corporate governance.

The Board Secretary:

- assists the Chairman in preparing Board sessions and Shareholders' Meetings, drawing up the related resolutions, ensuring the adequacy, completeness and clarity of the flows of information for the BoD, communicating with the Directors and organising Board induction;
- coordinates the secretaries of Board committees and takes the minutes of Board meetings in a detailed manner and according to best practices;
- provides assistance and legal advice on an independent basis (with respect to the management) to the BoD and Directors on matters of corporate governance and in relation with their powers, rights, duties and obligations,

to ensure the regular exercise of their attributes, protect them against potential liability and ensure that the interests of all Shareholders and other stakeholders contemplated by the company's corporate governance system are taken into due account;

- may also perform other functions within the Company, provided they do not compromise his independence of judgement in relation to the Board or the regular performance of his functions.

The Chairman ensures that the Secretary of the BoD possesses powers, tools, an organisational structure and personnel adequate to the performance of his functions. Moreover, the Board supervises the Secretary's independence and determines his remuneration, in line with the Company's policies for its top management.

The Secretary of the BoD proposes the annual budget on issues relating to the corporate governance system according to the existing company process and on the basis of the indications and prescriptions provided by Management Control.

#### 4.9. EXECUTIVE DIRECTORS

Effective 17 December 2021, the following directors were examined and confirmed as Executive Directors upon appointment of the new corporate bodies by the Shareholders' Meeting of 20 April 2023:

- Matteo Tiraboschi, Executive Chairman (whose powers are described in paragraph 4.9.1);
- Daniele Schillaci, CEO (whose powers are also described in the previous paragraph 4.9.1);
- Cristina Bombassei, Director in charge the Internal Control and Risk Management System (whose powers are described in paragraph 9.1) and Chief CSR Officer;
- Roberto Vavassori, to whom the Board of Directors granted specific powers in his capacity as Chief Public Affairs & Institutional Relations Officer.

The granting of these powers is based on the segregation of the duties and responsibilities of the delegated bodies (the Executive Chairman and CEO) and is intended to make the most of the respective professional and personal aptitudes, competencies and characteristics of the delegated parties, while also being inspired by the need to create a clear, precise division of competencies functional to avoiding overlapping and/or situations of decision-making impasse and to enabling the rapid identification of those responsible for individual management decisions, both within the Company and by stakeholders.

In addition, in accordance with the 2020 CGC, the powers attribute the Executive Chairman, *inter alia*, a more strategic and institutional role than in the past, identifying him as the liaison between the Company and its stakeholders.

#### 4.9.1. DELEGATED BODIES

On the basis of the new top management organisational structure approved by the Shareholders' Meeting on 17 December 2021, the Board of Directors granted — and confirmed through Board resolution dated 20 April 2023 — the powers to Matteo Tiraboschi as Executive Chairman and to Daniele Schillaci as Chief Executive Officer.

The Board of Directors retains the power to decide, *inter alia*, on the purchase and sale of shareholdings in other companies (M&As), the issuance of guarantees to third parties by Brembo S.p.A., and responsibilities regarding annual budgets, strategic plans and medium-/long-term incentive plans.

With the favourable opinion of the Remuneration & Appointments Committee, the following were identified and

confirmed as Key Management Personnel of the Company: the Executive Chairman and the Chief Executive Officer, as the only individuals having the powers to influence and/or affect the development, future prospects and overall performance of the Company and/or the Group.

Authority to delegate powers is vested solely in the Executive Chairman and the Chief Executive Officer (exclusively in relation with powers concerning safety and environment), on the basis of specific powers vested in the latter by the Board of Directors, without prejudice to specific Board resolutions.

The GBU Global Chief Operating Officers — and other GCF Officers — who have been assigned specific company functions (generally coinciding with the first reports to the Executive Chairman and Chief Executive Officer, also identified as C-Suite) have been granted limited powers for ordinary management in relation to the performance of their respective offices and powers, regularly registered with the

Company Register of Bergamo, to be exercised in accordance with company authorisation processes.

Employers have also been identified pursuant to Article 2, paragraph 1, letter B, of Legislative Decree No. 81/2008 for Brembo's various production units, to whom all of the necessary powers of organisation, management and spending authority have been assigned, by means of a notarised power of attorney, for the performance of the role of employer, as defined in current legislation.

Solely on an exceptional basis (subject to review from time to time by the Executive Chairman, the Chief Legal & Corporate Affairs Officer and the Chief Human Resources and Organisation Officer), special powers are granted to employees whose job descriptions do not fall within the categories mentioned above, but who, by reason of their assigned tasks, are required to represent Brembo in the latter's relations with the Public Administration (e.g., customs authorities, the Provincial Labour Department, etc.).

## SUMMARY OF THE EXECUTIVE DIRECTORS' POWERS

### Chairman of the Board of Directors (M. Tiraboschi)

The Executive Chairman is the Company's legal representative, pursuant to law and Brembo's By-laws. The Executive Chairman was also granted the widest powers of direction, communication, coordination and control according to his office, and the powers of ordinary administration, strategic direction, the development and proposal of guidelines concerning the Group's international development and its financial and re-organisation policies. The Executive Chairman was also granted the widest powers of ordinary administration of the Company and the business, and, subject to specific limitations, powers concerning the purchase and sale of real estate properties, real estate leases and leases of companies and/or business units, and, generally, any transactions on movable or immovable property, purchase and sale of equity investments in Italy and abroad, the incorporation of new companies in Italy and abroad, having the power to choose the organisational system of the new company, as well as the issuance of letters of patronage, comfort letters, sureties and guarantees (subject to the periodic reporting to the Board of Directors) and taking out mortgage loans, loans or finance leases in the various existing forms, as well as the power of representation in trade union matters.

In addition, within the framework of the broadest powers of direction, coordination and control according to the position filled, the Executive Chairman is assigned the following tasks:

setting guidelines for compliance and the Internal Control and Risk Management System;

- ensuring the implementation and constant updating of the Organisational, Management and Control Model according to Legislative Decree No. 231/2001, as well as the implementation of regulations in foreign countries where the investee companies operate, including all necessary training and awareness-building activities necessary to create a compliance culture within the Group;
- planning and managing external communications, with the broadest powers;
- setting and proposing to the Board of Directors the Group's medium- and long-term development strategies;
- setting guidelines for business development, property development and corporate development;
- designing general policies for the organisation and human resource management.

### Chief Executive Officer - CEO (D. Schillaci)

The Chief Executive Officer has been given specific powers to manage the Company and its business, powers relating to organisation, representation in trade union matters and the mandate pursuant to Article 2381 of the Civil Code for the implementation, improvement and supervision of safety in the workplace, accident prevention and the protection of workers' health (environmental protection inside and outside the Company, waste management, including the power to identify the person/s who is/are to be considered as Employer pursuant to Article 2, paragraph 1, letter B, of Legislative Decree No. 81/2008 for Brembo's different manufacturing units). Moreover, he has been given the power, within his remit, to ensure the implementation, at all levels in Italy and abroad, of the provisions set forth by the Law, the By-laws, the internal procedures, the Corporate Governance Code and the Corporate Governance Manual, the Code of Ethics and, more generally, the compliance posture in force in the Company and its investee companies; in this regard, specific reference is made to the provisions of Legislative Decree No. 231/2001 and similar provisions in force in foreign countries where the investee companies carry out their operations, to risk management policies and to indications of the Audit, Risk & Sustainability Committee and the Supervisory Committee.

In the area of strategic guidelines, the following powers and functions have been granted:

- the power to draw up and propose to the Executive Chairman the Group's Medium- and Long-Term Business Plan and all other projects completing it, including extraordinary transactions, in order to implement the Strategic Guidelines formulated by the Board of Directors, within the framework of risk management and Sustainable Success;
- the power to design and propose corporate restructuring and/or reorganisation plans necessary for the concrete implementation of the Business Plan.

#### 4.9.2. REPORTING TO THE BOARD BY DIRECTORS – DELEGATED BODIES

In accordance with laws and regulations, and the By-laws, the Delegated Bodies (Executive Directors) report on the activities carried out in the performance of their respective delegated powers, at least on a quarterly basis and, in any case, in the first subsequent meeting. During 2023, these activities were always carried out consistently with the Board's resolutions.

Within the framework of the 2023 BPE, it was confirmed that the information and related documentation prepared by the various structures for Board and Board Committee meetings were clear and accompanied by detailed, complete and timely brief overviews and reports. The Directors also confirmed that they regularly received adequate information regarding, *inter alia*, the periodic reports of Financial Analysts and competitors in the sector of reference.

#### 4.10. INDEPENDENT DIRECTORS

Brembo's Board of Directors adopted the independence criteria of the 2020 CGC for assessing the Directors' independence, while defining qualitative and quantitative criteria to be used to assess the significance of the relationships being examined (for further details, refer to paragraph 4.4).

Satisfaction of the aforesaid requirements is verified by the Board of Directors, upon appointment and, subsequently, on an annual basis by examining and discussing the individual situations during a Board meeting (through the statement issued by each Director), after the preliminary review of the individual positions by the Remuneration & Appointments Committee. It should be noted that, in assessing the independence of Non-executive Directors, the Board of Directors shall have more regard for substance than for form.

Upon appointment by the Shareholders' Meeting held on 20 April 2023 and, subsequently, at the Board meeting on 5 March 2024, based on the statements issued by each Director and including in light of the assessments expressed with regard to individual positions by the Remuneration & Appointments Committee, it was assessed whether the current Board met/continued to meet the above requirements. The Board of Statutory Auditors verified that the criteria mentioned above and the procedures adopted by the Board of Directors to assess the Directors' independence were correctly applied, and highlighted the same within the Statutory Auditors' Report.

For financial year 2023, a total of six (6) Directors met all the said independence requirements: Elisabetta Magistretti, Elizabeth Marie Robinson, Michela Schizzi, Manuela Soffientini, Giancarlo Dallera, Gianfelice Rocca as they satisfy the requirements set forth by law and the Brembo CGC.

It should be noted that, with regard to Gianfelice Rocca,

the Board of Directors, after having valued his specific position, qualified him as independent due to the consolidated principle of the prevalence of substance over form (since the renewal of his appointment as Director of Brembo follows over nine years of completed service in office). This was also in view of the professionalism and dedication that he has always shown and his active, punctual participation in Board meetings, and to his speeches and thoughts that have enriched and instilled quality into debate within the Board towards the resolutions passed, while also maintaining complete independence of judgement.

##### Meetings of the Independent Directors

Independent Directors meet at least on annual basis, coordinated by the Lead Independent Director (hereinafter "LID" in short) to discuss issues deemed of interest in regards to the functioning of the Board of Directors or the Company's management.

Meetings are chaired by the LID. The LID himself/herself shall appoint an Independent Director or another person, who is not required to be a Board member, to act as Secretary (usually, this function is granted to the Secretary of the Board of Directors).

LID may draw on the support of Company units in organising meetings.

The LID shall gather the petitions and contributions of the Independent Directors and include them in specific minutes signed by the LID and the Secretary, and forwarded by the same to the Chairman of the Board of Directors.

Minutes of meetings are kept in chronological order by the Legal and Corporate Affairs Department in its capacity as Corporate Secretariat.

In 2023, the Independent Directors, coordinated by the LID, met once (1), on 18 October 2023 (for a meeting duration of around one hour), to examine the programme of the 2023 Board Performance Evaluation (first year of their term) and

analyse the questionnaire to be submitted to the various Directors. The Board Secretary participated in the meeting (a detailed description of which is reported below) and prepared the related minutes, as well as submitted to the Executive Directors the suggestions and proposals put forward.

During the meeting, proposals and considerations were

also shared to be brought to the attention of the Board of Directors, such as the organisation of an ad-hoc induction session during a Board meeting to delve into geopolitical and strategic issues that could have an impact on Brembo in the medium term and on stock performance, with a focus on the automotive and industrial market at the global level. This induction session was then organised and held during the Board meeting of 19 December 2023.

---

#### **4.11. LEAD INDEPENDENT DIRECTOR**

Following the appointment of the new company boards upon the Shareholders' Meeting of 20 April 2023, Non-Executive and Independent Director Manuela Soffientini was appointed Lead Independent Director.

The Lead Independent Director function is regulated by its own Regulations approved by the Board of Directors, fully incorporating the recommendations of the 2020 CGC. More specifically, she is tasked with:

- serving as a point of reference for and coordinator of the petitions and contributions of Non-executive Directors and, in particular, Independent Directors, within the Board of Directors;
- collaborating with the Chairman of the BoD in order to ensure that members of the latter receive complete and timely information flows regarding operations;
- convening, at least on annual basis, the Independent Directors to discuss issues deemed of interest in regard to the functioning of the Board of Directors or the Company's management;

- carrying out any and all additional duties that may be assigned from time to time by the Board of Directors and the Chairman.

In 2023, the LID also coordinated the BPE activity relating to the functioning, size and composition of the Board of Directors and the Board Committees. This was done because the Board of Directors — in view of the consolidated, effective and efficient practice with which the LID and Independent Directors have performed this activity in recent years — resolved to act in keeping with previous editions, and therefore to confirm the assignment of coordination activities for the first year of term to the LID.

The LID circulated in advance the related activity plan and contents of the questionnaire used for the purposes of the BPE with the Independent Directors, and subsequently with the Board of Directors at the meeting of 7 November 2023. It then shared the final outcome at the Board meeting of 19 December 2023.

## 5. HANDLING OF CORPORATE INFORMATION

In accordance with current legislative and regulatory provisions, Brembo has for some time adopted specific internal procedures to guarantee the highest level of propriety, accuracy and timeliness in the corporate information

handling process, in addition to ensuring the market the utmost transparency and accessibility so as to prevent any market abuse.

### 5.1. THE EU PROVISIONS ON MARKET ABUSE

Following the entry into force, on 3 July 2016, of the European rules on market abuse as per Regulation (EU) No. 596/2014 ("MAR"), the Company has taken appropriate steps to adapt — also in light of the Italian regulatory framework in force from time to time — its own internal regulations regarding both the handling of Inside<sup>21</sup>/Relevant<sup>22</sup> Information and the provisions on Internal Dealing, as well as the related public disclosure.

The related documents are available on Brembo's website: [www.brembo.com](http://www.brembo.com), section Company, Corporate Governance, Governance Documents.

Procedures with regard to the handling of Inside/Relevant Information, the maintenance of the Register of persons with access to inside information ("Insider Register") and the management of disclosure obligations for Relevant Persons and Persons Closely Associated with them ("Internal Dealing") were updated on several occasions by the administrative body so as to implement the legal and regulatory changes introduced over time, including those relating to the above mentioned European Regulation, as

well as Consob's Guidelines for the Management of Inside Information of 13 October 2017 (the "2017 Guidelines").

After an analysis and examination of its flows and processes, Brembo has adopted several organisational tools, based on best practices, including:

- assignment to the Business Development Committee (composed of the Executive Chairman, Chief Executive Officer, Chief Business Development Officer, Chief Public Affairs & Institutional Relations Officer, Chief Legal and Corporate Affairs Officer) of the Inside Information Management Function, with the Chief Legal and Corporate Affairs Officer acting as point of contact for the formal adoption of the relevant decisions;
- identification of the members of the C-Suite as Organisational Functions Responsible for Inside Information;
- setting up of the RIL (Relevant Information List);
- mapping of categories of information to be classified as Relevant and of the organisational roles/functions that may originate them.

### 5.2. PROCEDURE FOR HANDLING INSIDE AND RELEVANT INFORMATION

Brembo's Procedure for Handling Inside and Relevant Information or price-sensitive information, updated by the Board of Directors on 8 May 2018, fully endorses not only the provisions of the Market Abuse Regulation ("MAR"), but also the indications provided in the 2017 Consob Guidelines. The procedure is available on Brembo's website: [www.brembo.com](http://www.brembo.com), section Company, Corporate Governance, Governance Documents.

The purpose of this Procedure is to define the principles and rules governing the internal management and the disclosure of information concerning the operations of Brembo

and the Group, with specific regard to Inside and Relevant Information. This is to ensure compliance with applicable statutory requirements in force from time to time and guarantee that Inside and Relevant Information is treated with the utmost confidentiality in order to prevent the selective disclosure of documents and information concerning Brembo and the Group, and that is to say, the disclosure of data to certain persons, including, without limitation, analysts, Shareholders or journalists, prior to the public disclosure thereof, or otherwise, any form of late, incomplete or inadequate disclosure of the said data.

<sup>21</sup> Information of a precise nature, which has not been made public, relating, directly or indirectly, to Brembo or a Group company, or to one or more Financial Instruments of the Company, and which, if it were made public, would be likely to have a significant effect on the prices of those Financial Instruments or derivatives linked thereto.

<sup>22</sup> Company information that is not yet precise, even though one may reasonably presume that it has all the characteristics to become Inside Information under current Laws.

In keeping with the provisions of Brembo's Code of Ethics, the Procedure is therefore a preventive measure aimed at detecting and interdicting the abuse of Inside Information, market manipulation and improper circulation of Inside Information within the meaning of Articles 31 and 54 of Directive No. 2014/65/EU (so-called MiFid II), Articles 8, 10 and 12 of MAR, and Articles 184 *et seq.* of TUF, all of which constitute offences that, pursuant to Italian Legislative Decree No. 231/2001, could potentially give rise to vicarious liability. Accordingly, the Procedure forms an integral part of Brembo's 231 Model and Brembo CGC.

The Procedure must be observed by Directors, Statutory Auditors, Executives and all employees of Brembo and the Group, as well as by all persons (whether they are natural or legal persons) afforded access on a regular or occasional basis to Brembo's Inside or Relevant Information relating to Brembo and/or the Group by virtue of their professional activity.

Assessing if and to what extent specific events could be deemed to give rise to Relevant or Inside Information, as well as whether or not to apply for authorisation to delay public disclosure of the Inside Information, is performed on a case-by-case basis and is the responsibility of the Business Development Committee, viewed as the organisational function charged with assessing whether information regarding the Company and other Group companies qualifies as Relevant or Inside Information and with taking the relevant market-disclosure decisions.

The Investor Relations function is in charge of the publication of press releases. Brembo's Inside Information is published and stored using the Consob-authorized 1INFO system ([www.1info.it](http://www.1info.it)), managed by Computershare S.p.A. and authorized by Consob.

---

### 5.3. INTERNAL DEALING PROCEDURE

Brembo's Internal Dealing Procedure has been drawn up pursuant to and for the intents and purposes of Article 19 of MAR and in compliance with all rules and regulations in force at the time of its issuance. The procedure is available on Brembo's website: [www.brembo.com](http://www.brembo.com), section Company, Corporate Governance, Governance Documents.

This procedure regulates the management and disclosure of the so-called internal dealing transactions, i.e., transactions involving Brembo S.p.A.'s financial instruments made, whether directly or through third-party intermediaries, by persons exercising management, control and direction functions (Managers) and persons closely associated therewith, and Shareholders, i.e., any and all persons who hold an equity interest equal to or exceeding 10% of Brembo's share capital, insofar as they are potentially in possession of Inside Information. The procedure, *inter alia*, sets forth the ban for Managers to carry out such transactions commencing on the 30<sup>th</sup> day immediately preceding

Brembo's Board Meetings convened for the approval of the annual or interim financial results that the Company discloses to the market, also on a voluntary basis, and expiring upon public disclosure of the press release on the results (so-called "black-out period").

In line with the provisions of Brembo's Code of Ethics, the Internal Dealing Procedure constitutes a direct measure aimed at promoting parity of information and at deterring the misuse of advantages arising from information asymmetry to garner undue gains through insider trading transactions which, *inter alia*, could entail vicarious liability for criminal offences pursuant to Legislative Decree No. 231/2001. Accordingly, this procedure forms an integral part of the 231 Model. The Head of Investor Relations is responsible for maintaining and periodically updating the list of Relevant Persons, as well as complying with public disclosure obligations in respect of transactions reported by them.

---

### 5.4. PROCEDURE FOR HANDLING THE INSIDER REGISTER AND THE RELEVANT INFORMATION LIST (RIL)

The Register and RIL Procedure (lastly updated through Board resolution of 8 May 2018) is designed to ensure compliance with all the obligations pertaining to the maintenance and timely updating of the Insider Register mentioned in Article 18 of MAR. The Register and RIL Pro-

cedure is also compliant with the requirements and recommendations set out in the 2017 Guidelines regarding the keeping and updating of the RIL, i.e., the list of parties with whom the issuers have professional working relationships, including employment relationships, and who have

access to the Relevant Information in the course of certain of their duties.

This Register and RIL Procedure lays down the methods to be used to draft and update the Registers in accordance with the instructions given in Commission Implementing Regulation (EU) No. 2016/347 with regard to the Insider Register, extended, where possible and/or advisable, to the RIL. In particular, this Register and RIL Procedure:

- identifies the requirements the Insider Register and the RIL must meet;
- determines the data to be recorded in the Insider Register and the RIL;
- outlines the structure of the Insider Register and the RIL;
- regulates the updating of the Insider Register and the RIL.

The Register and RIL Procedure applies to Brembo in its capacity as an Italian company whose shares are traded on the Italian regulated market, and to any and all persons and parties afforded access to Inside or Relevant Information by virtue of an employment contract with the Company or any other type of working relationship with the same.

So as to prevent the commission of offences by employees and consultants who stand in a position to materially engage in criminal conduct, the Company has imposed a series of further requirements, over and above the provisions set forth in the Procedure for Handling Inside and Relevant Information, including confidentiality obligations contractually binding on consultants and employees, and the confidentiality requirement pursuant to the Code of Ethics.

In accordance with the regulatory requirements, Brembo S.p.A. takes all necessary measures to ensure that all persons and parties included in the RIL and the Insider Register are aware of the legal and regulatory duties underlying their inclusion, as well as the sanctions attaching to the misuse or improper circulation of Inside Information, ensuring that all the such persons are served appropriate information in such regard, in writing, against written acknowledgement of receipt and acceptance.

The Insider Register is maintained electronically using specific management software (RAP – *Registro Accesso alle Informazioni Privilegiate*) designed and licenced by Computershare S.p.A. to ensure full regulatory compliance. The Legal and Corporate Affairs Department is tasked with maintaining and updating the Insider Register and the RIL.

## 6. BOARD COMMITTEES

Brembo set up all the Committees recommended within the 2020 CGC, vesting them with preliminary, propositional and advisory functions. In detail:

- Brembo implemented the recommendation to set up the Appointments Committee in 2012, entrusting such function to the Remuneration Committee and accordingly changing its name to Remuneration & Appointments Committee and the related regulations to extend its functions. The composition of the Committee and the reporting of the activities and tasks it carried out in 2023 are described in paragraph 8.2.
- Upon appointment of the new company officers on 20 April 2017, the Board of Directors assigned responsibility for supervising sustainability issues to the Audit & Risk Committee, resulting in the change of the Committee's name to the Audit, Risk & Sustainability Committee, and its specific duties were updated accordingly. Said approach, defined on the basis of the best practices in this area, of Legislative Decree No. 254/2016 on the Disclosure of Non-Financial Information, and of the similar tasks performed by the Audit & Risk Committee, was maintained also upon appointment of the new corporate boards for the 2023-2025 term. See paragraph 9.2 for information on the Committee's composition, duties and the activities carried out in 2023.

### Regulations on the functioning of the Committees

The composition, duties and functioning of all Committees are defined in specific Regulations fully implementing the recommendations of the 2020 CGC. Said Regulations are available on the Company's website.

The Committees:

- meet, at the request of the Chairman, even by telephone and/or video conference call;
- their meetings are chaired by the Chairman or, in the latter's absence, the oldest member;
- are considered validly in session when the majority of

its members is present;

- Committee meetings may be held by means of teleconferencing and videoconferencing, provided that all participants may be identified and are able to follow and participate simultaneously in the discussion of the subjects raised, as well as view documents in real time;
- take decisions by the majority of the members participating in the meeting, with the vote of the chair breaking any ties;
- on the Chairman proposal, may also be attended by persons, other than Committee members, who have been specifically invited and are part of the Company's management, in relation to specific needs or items on the Agenda;
- are all minuted, with the related document signed by the Chairman and Secretary. The minutes are signed by the Chairman of the meeting and the Secretary of the meeting and are forwarded to the members of the Committee in the Work Files of the following meeting;
- in performing their functions, enjoy access to the company information and functions required to discharge their duties and may secure the assistance of external consultants within the terms and the budget set by the Board of Directors;
- have been set up favouring the competence and experience of the Directors that are members.

In the 2023 BPE, the Committees were found to effectively perform their advisory and propositional role towards the Board of Directors, systematically carrying out the tasks indicated in their regulations. Meeting Agendas were clear and sufficiently descriptive and contained a number of items compatible with the time assigned to each of them and concretely available. The frequency and duration of meetings were adequate.

In general, there was a high level of satisfaction with the work done by the Company's Board Committees, which have always thoroughly analysed the items on the Agenda.

### NUMBER OF COMMITTEE MEETINGS AND ATTENDANCE RATE OF DIRECTORS

COMMITTEES	NUMBER OF MEETINGS 2023	ATTENDANCE RATE	PRESENCE OF INDEPENDENT MEMBERS	ACTIVITIES CARRIED OUT IN 2023
Remuneration & Appointments Committee	3	100%	100%	Paragraph 8.2
Audit, Risk & Sustainability Committee (which also acts as the Related Party Transactions Committee)	11	100%	100%	Paragraph 9.2

# 7. SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS

## 7.1. BOARD PERFORMANCE EVALUATION

The functioning of the Board of Directors and Board Committees, as well as their size and composition, are regularly evaluated, taking also into account aspects such as the professional expertise, experience (including managerial experience), gender of their members, seniority of service and effectiveness and efficiency in the performance of their assignment (Board Performance Evaluation, hereinafter also "BPE" in short).

This activity is also designed to assess the role played by the BoD in setting strategies in view to Sustainable Success and monitoring operating performance, with periodic assessment of the efficacy of its activity and the contribution made by its individual components, as well as of the adequacy of the Internal Control and Risk Management System. In accordance with the provisions of the 2020 CGC, the assessment process may be carried out at least every three (3) years — and in particular in view of renewal of the BoD —, considering whether to avail of an independent advisor for the third year.

In line with the provisions of Recommendation No. 22 of

Year 2023:	Activity managed internally by Brembo through questionnaires and, where necessary, individual interviews of Directors;
Year 2024:	Activity managed internally by Brembo through questionnaires and, where necessary, individual interviews of Directors;
Year 2025:	Assessment of the possibility of assigning the BPE activity to an external independent advisor.

As for the 2023 BPE, the activity aimed to analyse the trends in previous terms and assess the main issues relating to the functioning of the Board of Directors and Board Committees, so as to identify aspects that could be improved during the current term. The activity was structured in the following steps:

- sharing of the working plan with the Independent Directors and the Board of Directors;
- sending an individual questionnaire to Directors and

the 2020 CGC, the Board of Directors in office from 20 April 2023 initiated a three-year self-assessment process broken down into three stages, in line with the 2023-2025 Board term. Although according to the Corporate Governance Code the Remuneration & Appointments Committee is responsible for managing the BPE, in view of what is now consolidated practice at Brembo and the more-than-positive feedback received in previous years, at the meeting held on 18 October 2023 the Independent Directors confirmed, in continuity with what was done in the previous term, that responsibility for coordinating this activity was assigned to the LID for the new term as well, supported by Brembo's Legal and Corporate Affairs GCF.

On 7 November 2023, in accordance with Article 4, Recommendation No. 22 of the CGC, and — following the Cross-Border Conversion transaction — Article 2.2.6-2.2.7 of the Dutch Corporate Governance Code, the BoD decided to undertake a three-year self-assessment process structured as follows:

- filling in thereof;
- final presentation to Independent Directors and the BoD of the findings of the 2023 BPE.

The outcome was summarised in a specific document made available firstly to the LID and the Independent Directors and subsequently shared during the BoD's plenary session held on 19 December 2023. The following table summarises the outcome of the 2023 BPE:

## SUMMARY OF THE OUTCOME OF THE 2023 BOARD PERFORMANCE EVALUATION

General comments on the functioning of the BoD	<p>In continuity with previous years, a high level of overall appreciation continued to be expressed with the operational and organisational functioning of the Board of Directors.</p> <p>The Directors confirmed that the Board acted in substantial conformity with the 2020 CGC and best practices at the Italian and international level, while also emphasising the strong propensity towards continuous improvement of the quality of debate within the Board and individual Board Committees.</p>
General comments on the composition and size of the Board of Directors	<p>The composition and size of the Board of Directors were found to be totally adequate to the Brembo Group's size, position, complexity, specific industry and strategies.</p>
Areas of excellence	<p>In particular, the following areas of excellence were identified:</p> <ul style="list-style-type: none"><li>• a well prepared Board of Directors consisting of renowned members of the entrepreneurial and management community;</li><li>• competent and present management, available to provide clarifications and further information including outside the Board meetings;</li><li>• open, transparent and balanced discussion, with all members participating;</li><li>• sessions managed with an openness to dialogue on the part of the Executive Chairman;</li><li>• comprehensive documentation;</li><li>• excellent functioning of the Committees;</li><li>• extremely detailed and accurate induction activity, with opportunities for direct dialogue with the main GBU/GCF Heads.</li></ul>

## 7.2. SUCCESSION PLANS

On 17 December 2021, in line with the plan defined as of June 2011, following the resignation of Alberto Bombassei from the role of Chairman and member of the Board of Directors, the Board of Directors of Brembo S.p.A. approved the current organisational structure of the Brembo Group, which provides for Matteo Tiraboschi to serve as Executive Chairman and Daniele Schillaci as Chief Executive Officer. The organisational macro-structure was illustrated to the BoD convened on 17 December 2021. Said organisational structure, disclosed to the public on 16 November 2021, was approved by the General Shareholders' Meeting on 17 December 2021.

It should also be noted, with regard to succession matters, that — for each top management position — Brembo drew up a periodical and structured process, as summarised in specific documents approved by top managers, to identify both short- and medium-term successors, so as to be able to manage unforeseeable cases of replacement of executives in as prompt and orderly a manner as possible, and ensure management stability.

On 14 November 2022, the Chief Human Resources & Organisation Officer submitted the updated version of the Talent Management & Succession – Succession Planning annual system to the Remuneration & Appointments Committee.

## 8. REMUNERATION OF DIRECTORS AND OF THE REMUNERATION & APPOINTMENTS COMMITTEE

### 8.1. REMUNERATION OF DIRECTORS

Brembo's Remuneration Policy was formulated in line with the Company's long-term strategy and objectives and is associated with company results so as to pursue the Group's long-term interests and sustainability. A description of the same is included in the Report on the Remuneration Policy and Remuneration Paid, prepared pursuant to Article 123-ter of TUF and Annex 3, Scheme 7, of the Issuers' Regulation ([www.brembo.com](http://www.brembo.com), section Company, Corporate Governance, Remuneration Policies). The two Sections comprising it 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 and sustainability-related guidance, 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.

For further details on remuneration policies for 2024 and remuneration paid in 2023, reference is made to the related Report drawn up pursuant to Article 123-ter of TUF and available on Brembo's website ([www.brembo.com](http://www.brembo.com), section Company, Corporate Governance, Remuneration Policies).

The information required by Article 123-bis, paragraph 1(i), of TUF — "agreements between companies and directors [...] which envisage indemnities in the event of resignation or dismissal without just cause, or if their employment contract should terminate as the result of a takeover bid" — are contained in the Remuneration Report in accordance with Article 123-ter of TUF, which is available on Brembo's website ([www.brembo.com](http://www.brembo.com), section Company, Corporate Governance, Remuneration Policies).

### 8.2. REMUNERATION & APPOINTMENTS COMMITTEE

The Remuneration & Appointments Committee<sup>23</sup>, appointed on 20 April 2023 by the Board of Directors convened after the General Shareholders' Meeting, will remain in office

until the General Shareholders' Meeting called to approve the Financial Statements for the year ending 31 December 2025, and is made up of three (3) members:

MEMBERS	OFFICE HELD	ATTENDANCE RATE AT 2023 MEETINGS (NO. 3) <sup>24</sup>	POSITION WITHIN THE REMUNERATION & APPOINTMENTS COMMITTEE
Giancarlo Dallera	Independent Director	100%	Chairman
Manuela Soffientini	Independent Director	100%	Member
Elizabeth Marie Robinson	Independent Director	100%	Member
<b>Directors sitting in the Remuneration &amp; Appointments Committee whose term expired upon the Shareholders' Meeting approving the Financial Statements for the year ended 31 December 2022</b>			
Nicoletta Giadrossi	Independent Director	100%	-

The professional profile of the members of the Remuneration & Appointments Committee (available on Brembo's website, [www.brembo.com](http://www.brembo.com), section Company, Corporate Governance, Governing Boards and Committees) meets

the experience requirements imposed by the 2020 CGC, including in order to ensure an efficient performance of the Committee's duties.

<sup>23</sup> Brembo implemented the recommendation to set up the Appointments Committee in 2012, entrusting such function to the Remuneration Committee and accordingly changing its name to Remuneration & Appointments Committee.

<sup>24</sup> It indicates the Directors' attendance rate at the meetings held by the Committee in 2023 (No. of times attended/No. of meetings held during the Director's actual term of office).

The Remuneration & Appointments Committee operates in accordance with its Regulations (available on Brembo's website, section Company, Corporate Governance, Governing Documents), which distinguish the Committee's remuneration and appointments functions as follows:

- *Remuneration function*: it ensures 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; it performs its functions seeking to give continuity to the purposes, principles and tools of the Group's Remuneration Policy, working with a view to developing an ongoing dialogue with stakeholders, aware that this key element is central to the Group's Remuneration Policy. In fact, Brembo attaches great importance to constant interaction, throughout the year, with the main beneficiaries of its remuneration policies and with its investors, in order to ensure ongoing improvement in the adoption of market best practices, drawing helpful inspiration from various stakeholders;
- *Appointments function*: it identifies the optimal composition of the Board, by indicating the professional roles that may promote its proper and effective functioning and contributing, where needed, to the preparation of the succession plan for Executive Directors.

The meetings of the Remuneration & Appointments Committee:

- are always attended by the Chairman of the Board of Statutory Auditors or another Statutory Auditor as required by the Chairman; the other members of the Board of Statutory Auditors may also attend the meetings;
- may also be attended by persons, other than Committee members, who have been specifically invited and are part of the Company's management and/or management structures, in relation to specific needs or items on the Agenda; they include, in general, the Chief Human Resources & Organisation Officer and the Secretary of the Board of Directors, as well as the Chief Legal & Corporate Affairs Officer;
- may be attended by representatives of consulting firms specialising in this area;
- are not attended by Executive Directors.

In performing its functions, the Committee has access to the company information and functions necessary from time to time to discharge its duties, and it may also avail itself of expert advisors within the limits of the budget approved by the BoD.

Minutes are taken for all Committee meetings and signed by the Chairman and Secretary. They are kept in chronological order by the Legal and Corporate Affairs Department in its capacity as Corporate Secretariat.

In 2023, the Remuneration & Appointments Committee held three (3) meetings (average length of approximately 1.30 hours), as detailed below. The Secretary (Chief Legal & Corporate Affairs Officer), the Chief Human Resources and Organisation Officer and representatives of the consulting firms specialising in this area are always invited to attend the meetings.

#### 1. Meeting held on 15 February 2023

The Remuneration & Appointments Committee examined in advance the matters to be put before the Board of Directors and subsequently to the Shareholders' Meeting convened on 20 April 2023. On that occasion, the Remuneration & Appointments Committee carried out the following activities:

- with reference to Remuneration*:
    - it examined 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;
    - it evaluated the proposal to review the Remuneration Packages for the Executive Chairman and the CEO, also following an additional benchmark analysis;
    - it examined the proposal to change the pay-out cap relating to Category 1 of the 2022-2024 LTIP;
    - it examined 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.
- Moreover, 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:
- with reference to the composition of the Board of Directors and the combination of skills and professional backgrounds*:
    - 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;

- 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’s CGC for Directors, as well as the compatibility of the positions held by them;
- 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;
- 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;
- 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;
- 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.

## 2. Meeting held on 18 July 2023

The Remuneration & Appointments Committee carried out the following activities:

- i) *with reference to Remuneration:*
  - 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;
  - it was updated on the performance of the Group’s Remuneration Policies;
  - 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.

## 3. Meeting held on 23 November 2023

The Remuneration & Appointments Committee carried out the following activities:

- i) *with reference to Appointments:*
  - it was updated on the Gender Equality Certification (for the purposes of the NRRP);
  - it acknowledged the HR-related impacts of the Cross-Border Conversion Transaction.

## 4. Meeting held on 23 February 2024

The Remuneration & Appointments Committee carried out the following activities:

- i) *with reference to Remuneration:*
  - it evaluated the closing results of the short-term annual Incentive Plan (2023 MBO) and defined the proposals of the short-term annual Incentive Plan (2024 MBO), also in light of the analyses conducted in 2023;
  - it examined the Report on the Remuneration Policy for 2024 and Remuneration Paid in 2023, prepared pursuant to Article 123-ter of TUF and expressed a favourable opinion in view of its examination and approval by the BoD;
  - it examined the remuneration proposed for the Lead Independent Director and the proposal for increasing the remuneration of the Chairwoman of the Audit, Risk & Sustainability Committee following the Cross-Border Conversion;
  - it received information on the indicators linked to the Gender Representation and Pay Gap Analysis;
- ii) *with reference to Appointments:*
  - it examined 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 2020 CGC for Directors, as well as the compatibility of the positions held by them;
  - 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 2020 CGC;
  - it assessed the individual statements of the Directors, Statutory Auditors and members of the Supervisory Committee to periodically verify the 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;
  - 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.

# 9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

MAIN ASPECTS OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM	YES/NO
Existence of a document containing Guidelines for the Brembo Internal Control and Risk Management System	Yes
Presence of an Executive Director charged with overseeing the Internal Control and Risk Management System	Yes
Presence of a Committee responsible for supervising risks, including sustainability risks	Yes
Presence of organisational structures responsible for risk management (Risk Management Committees – Head of Risk Management)	Yes
Existence of an Audit function tasked by the Board of Directors with systematically assessing the efficiency and efficacy of the Internal Control and Risk Management System	Yes
Preparation of specific compliance programmes (Code of Ethics, Model According to Legislative Decree No. 231, Anti-bribery Code of Conduct, Policy of Non Discrimination and Diversity, Code of Basic Working Conditions, Antitrust Code of Conduct, Privacy Policy, Modern Slavery Act, Tax Control Framework)	Yes

Effective risk management is a key factor in maintaining the Group's value over time. In this regard, within the framework of its Corporate Governance system, the Company has defined Brembo's Internal Control and Risk Management System (hereinafter referred to as "System" or "ICRMS") consistent and compliant with the provisions of Article 6 of the "Internal Control and Risk Management System" of the 2020 CGC, the adoption of which was approved by Brembo's Board of Directors on 17 December 2021 and, more generally, with national and international best practices.

This system represents the set of organisational structures, rules and procedures that allows the main business risks within the Group, of any kind, including risks relating to medium- and long-term sustainability, to be identified, measured, managed and monitored, while helping the Company be run in a manner that is sound, correct and consistent with the objectives defined by the Board of Directors, and favouring the adoption of informed decisions consistent with the risk profile, as well as dissemination of a proper understanding of risks, lawfulness and corporate values, which are reflected in Brembo's Code of Ethics.

In operational terms, these principles translate into the achievement of the following Internal Control and Risk Management System objectives:

- helping ensure the reliability of information;
- ensuring compliance with laws and regulations, as well as the Company's By-laws and internal procedures;
- safeguarding company assets;
- facilitating the efficacy and efficiency of company operations and processes.

The Board of Directors, with the support of the Audit, Risk & Sustainability Committee, is tasked with defining the general guidelines of the ICRMS, so that the main risks pertaining to Brembo S.p.A. and Group subsidiaries are properly identified, as well as adequately measured, managed and monitored. It shall also set criteria to ensure that such risks are compatible with sound and proper management of the Company. The Board of Directors is aware that the control processes cannot provide absolute assurances that the

company objectives will be achieved and the intrinsic risks of business prevented, in particular in a period characterised by strong volatility, uncertainty within the macro-economic context and growing geopolitical risks. However, it believes that the ICRMS may reduce and mitigate the likelihood and impact of risk events associated with wrong decisions, human error, fraud, violations of laws, regulations and company procedures, as well as unexpected events such as, for instance, the conflict in Ukraine and previously the global pandemic.

Monitoring of the adequacy and effective operation of the Internal Control and Risk Management System, as well as any revision thereof, is an essential part of the system's structure. The Internal Control and Risk Management System is therefore subject to regular examination and controls, taking account of developments in the Company's operations and reference context, as well as national and international best practices. Based on the roles and responsibilities already defined, various control bodies can be identified with responsibility for performing checks and expressing opinions on the Internal Control and Risk Management System.

The overall and final assessment remains with the Board of Directors, which regularly expresses an opinion based on the reports produced by the Control Body and the Supervisory Committee, not only to verify that the system exists and is being implemented within the Group, but also to carry out a regular detailed examination of its fitness and effective and concrete functioning.

Such an assessment could therefore indicate the need to draw up further policies, processes and rules of conduct allowing the Group to adequately react to new or mismanaged risk situations. Such improvement measures, which are the responsibility of the respective management area, have to be coordinated by the Chief Executive Officer with the supervision of the Director in charge of the Internal Control and Risk Management System.

The Board of Directors has already identified the key roles



- the Executive Directors are generally charged with defining further policies for effective implementation of Guidelines, referring to best practice models; these policies are approved by Top Managers and reported to the Audit, Risk & Sustainability Committee;
- the Audit, Risk & Sustainability Committee is tasked with supporting the Board of Directors on internal control and risk management issues, including those relevant from the standpoint of sustainability;
- the Executive Director in charge of the Internal Control and Risk Management System (hereinafter referred to as "ICRMSD") is tasked with identifying the main corporate risks by executing risk management Guidelines and verifying their adequacy;
- the Chief Executive Officer who, in addition to coordinating the risk mitigation actions implemented by the competent management, has a key role in the management of potential corporate "crisis" events, if any, including for example the global pandemic and most recently the conflict in Ukraine, in relation to which the CEO directly takes on the direction of the Crisis Management Committee, in accordance with the provisions of the company Guidelines for crisis management;
- the Managerial Risk Committees are tasked with providing support in the risk mitigation activity, strengthening the monitoring and reporting of risks to the Audit, Risk & Sustainability Committee, the Board of Directors, the Board of Statutory Auditors and the Supervisory Committee;
- the Head of Risk Management is tasked with ensuring, together with the management, that the main risks relating to Brembo and its subsidiaries are correctly identified, adequately measured, managed, monitored, and integrated within a corporate governance system consistent with the strategic objectives.

The Internal Audit function evaluates the effectiveness and efficiency of the overall Internal Control and Risk Management System on a regular basis and reports the results to the Executive Chairman, the Chief Executive Officer, the Board of Statutory Auditors, the Audit, Risk & Sustainability Committee and the Supervisory Committee of Brembo S.p.A. with reference to specific risks connected with compliance with Legislative Decree No. 231/2001. On an annual basis, it also reports to the Board of Directors.

Risks are monitored at meetings held on at least a monthly basis, where results, opportunities, risks, and potential strategies to mitigate them are analysed for each business unit and geographical area in which Brembo operates. Brem-

bo's general risk-management principles and the bodies charged with risk evaluation and monitoring are included in Brembo Corporate Governance Code, in the "Policies for the implementation of the Internal Control and Risk Management System" (latest edition issued at year-end 2021), in the Risk Management Procedure, in the Organisational, Management and Control Model according to Legislative Decree No. 231/2001 and in the reference layout for preparing accounting documents (as per Article 154-bis of TUF), to which the reader is referred.

During the meeting held on 20 January 2022, after obtaining the opinion of the Audit, Risk & Sustainability Committee, the Board of Directors approved the current edition of the "Guidelines for the Brembo Internal Control and Risk Management System"; said document reiterates the Company's principles and general vision on the topic of the ICRMS, a final review of which is performed annually by the BoD, focusing attention on Brembo's risk management policy and the goals that guide the Internal Control System.

In addition, the Policies for the implementation of the Internal Control and Risk Management System identify the overall design of Brembo's Internal Control and Risk Management System, taking into account the changes made to the Group's Corporate Governance Code, the evolution of its organisational structure with new second-level and first-level control roles, the new company strategy and sustainability goals, changes in the legislative and regulatory framework, international best practices and the standards of reference such as ISO31000 and the CoSO Framework. For further information about risk families, reference should be made to the paragraph concerning Risk Management Policy included in 2023 Annual Report<sup>25</sup>.

The ICRMS also underpins Brembo S.p.A. Organisational, Management and Control Model according to Legislative Decree No. 231/2001, and the Group's Reference Scheme for preparing the corporate accounting documents, pursuant to Law No. 262/2005, and represents, in light of its effectiveness, a key pillar for Sustainable Success.

#### **Appropriateness of the Internal Control and Risk Management System**

With reports dated 21 July 2023 and 1 March 2024, the Chairwoman of the Audit, Risk & Sustainability Committee informed the Board of Directors of the activities undertaken by the Committee during the reference period, confirming the substantial adequacy of the ICRMS, taken as a whole,

<sup>25</sup> [www.brembo.com](http://www.brembo.com), section Investors, Reports.

and the appropriateness of action and monitoring plans identified by management in order to contain risks and efficiently ensure compliance with the Company's rules of conduct and operating procedures in place, whilst leaving it up to the Board of Directors to draw its own conclusions in such regard.

The Board of Directors examined the reports of the Chairwoman of the Audit, Risk & Sustainability Committee and the Executive Director in charge of the Internal Control and Risk Management System, as well as those concerning the activities undertaken and planned by the Company's Internal Audit function, the meetings conducted by the Chief Internal Audit Officer with the Chairman of the Board of Directors, the Executive Director in charge of the Internal Control and Risk Management System and the Manager in charge of the Company's financial reports. Based on the foregoing, the Board of Directors shared the opinion expressed by the Chairwoman of the Audit, Risk & Sustainability Committee and acknowledged that the ICRMS was appropriate to the Group's structure and type of business, suited to prevent the risks identified and able to ensure Sustainable Success. Furthermore, the accounting standards and procedures were properly applied for the purposes of preparing the periodic financial reports.

#### **The Internal Control and Risk Management System as it relates to the financial reporting process**

In accordance with the principles outlined by the CoSO Report, the Manager in charge of the Company's financial reports — assisted by the Compliance Officer and supported by the Internal Audit function and, where applicable, the evaluations provided by the Audit, Risk & Sustainability Committee — has defined the process to identify and assess the risks that might prevent the Company from achieving its objectives regarding the reliability of financial reporting.

The process for identifying and assessing such risks is reviewed yearly. The Manager in charge of the Company's financial reports, in collaboration with the Compliance Officer, is responsible for updating the process to reflect any changes during the year that might influence the risk assessment (i.e., significant organisational changes, business changes, amendments or updates of accounting standards, etc.). Control measures taken to minimise risks identified during the risk assessment process are outlined using the appropriate formats (flow charts and control matrices). Key control measures have been identified from among these.

In determining whether the administrative and accounting procedures are being effectively applied, the Manager

in charge of the Company's financial reports relies on the support of the Internal Audit function (through the performance by the latter of effectiveness tests on controls pursuant to Law 262) or the Compliance Officer (through the review and validation by the latter of effectiveness tests pursuant to Law 262 carried out by process owners for the processes within their respective remit). The Manager in charge of the Company's financial reports, by agreement with the Internal Audit function and the Compliance Officer, draws up a three-year Audit plan that is carried out through scheduled annual test activities and conducted at all Group companies within the scope of application of Law 262.

If the tested control mechanisms are found to be defective, the Manager in charge of the Company's financial reports and the Compliance Officer are required to evaluate them and share a corrective plan with the process owners containing the remedial measures they recommend to apply. The corrective plan is used by the Company to address any missing key control measures, existing control measures that following a test have been found not to have been properly applied, or existing control measures that are not entirely adequate. When this document has been defined and shared, the Compliance Officer and/or Internal Audit function (in this latter case through a specific follow-up on site) verify that the improvement plan has actually been implemented.

Any event that could potentially impact the adequacy of the above Framework in light of the Company's actual situation, or that might compromise the reliability of the risk assessment process, must be identified by the Process Owners and, through the Compliance Officer promptly, must be reported to the Manager in charge of the Company's financial reports.

The Process Owners are responsible for identifying all events within the processes in their purview that could potentially change the above framework and, through the Compliance Officer, promptly reporting them to the Manager in charge of the Company's financial reports. Every six months, even if no specific events have occurred, the Process Owners must provide a formal notice attesting that there are no events that could impact the processes or control measures in place.

The Compliance Officer and the Internal Audit function periodically report to the Manager in charge of the Company's financial reports as to the activities carried out and test results. The main Group companies are also subject to analyses and checks in conjunction with the preparation of

the Brembo Group's Consolidated Annual Financial Statements and Six-Monthly Report.

On a half-yearly basis, the Manager in charge of the Company's financial reports, supported by the Compliance Officer, also requests each Group company falling within the scope of Law No. 262 to submit an attestation, duly signed by the

Controller/Manager (for each Brembo S.p.A.<sup>26</sup> GBU) or the local CFO and CEO/Country Manager (for Group companies falling within the scope of Law No. 262). Through this attestation each Company certifies that as at the date of reference, all financial reporting processes currently in force are reliable and have been properly applied, and that the financial data in the reporting package are correct and complete.

### 9.1. EXECUTIVE DIRECTOR IN CHARGE OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

On 20 April 2023, the Board of Directors confirmed Cristina Bombassei in her role as Executive Director in charge of the Internal Control and Risk Management System, vesting her with the functions set forth in the Brembo CGC.

On the basis of the Group's organisational structure approved by its Shareholders' Meeting on 17 December 2021, and in accordance with the delegated powers granted by the Board of Directors on that same date, the delegation of authority for the Internal Control and Risk Management System to Executive Director Cristina Bombassei, in her role as Chief Corporate Social Responsibility Officer, was confirmed, in continuity with the role performed in her previous terms of office.

Said function acts on the basis of the Guidelines issued by the Board of Directors and the Policies for implementing the ICRMS, updated in 2021 and approved by the BoD on 20 January 2022.

In detail, the Director in charge of the Internal Control and Risk Management System is tasked with:

- identifying the main business risks, taking into account the characteristics of the activities carried out by the issuer and its subsidiaries, and submitting them periodically for review to the Board of Directors;
- implementing the guidelines established by the Board of Directors, supervising the planning, implementation and management of the Internal Control and Risk Management System, as well as constantly verifying its adequacy and efficacy;
- bringing the System into line with the current operating conditions, and legislative and regulatory scenario;
- requesting the Internal Audit function to carry out audits of specific operating areas, as well as audits on compliance with internal rules and procedures in the

performance of company transactions, in addition to informing the Chairman of the Board of Directors, Chairwoman of the Audit, Risk & Sustainability Committee and Chairman of the Board of Statutory Auditors thereof concurrently;

- timely reporting to the Audit, Risk & Sustainability Committee (or to the Board of Directors) regarding problems and critical issues brought to light in performing her activities or of which she has otherwise become aware, so that the Committee (or the Board) may take the appropriate initiatives;
- coordinating the Managerial Risk Committee and relying upon the support of the Head of Risk Management and Internal Audit as the guarantors of the Internal Control and Risk Management System (assurance).

In 2023, the Executive Director in charge of the Internal Control and Risk Management System coordinated with the Head of Risk Management for the activities aimed at updating the assessment of risks, including ESG-related risks, using measurement criteria in line with the Group's risk management methodology.

The Executive Director also maintained active communication channels, coordinating with the Chief Internal Audit Officer, the Audit, Risk & Sustainability Committee and the Supervisory Committee, in keeping with operating conditions and the legislative and regulatory framework.

The Executive Director in charge of the Internal Control and Risk Management System submitted the annual report to the Board of Directors at the meeting held on 5 March 2024. The main risks for Brembo, broken down by risk families, are described in the Annual Financial Report 2023, in the paragraph "Risk Management Policy".

<sup>26</sup> In addition to the attestations required from each GBU, for Brembo S.p.A. a specific attestation is also required from the HR GCF (signed by the Chief Human Resources & Organisation Officer and the Head of staff), as well as from the Transformation GCF.

## 9.2. AUDIT, RISK & SUSTAINABILITY COMMITTEE (ALSO ACTING AS THE RELATED PARTY TRANSACTIONS COMMITTEE)

The Audit, Risk & Sustainability Committee<sup>27</sup>, which also acts as the Related Party Transactions Committee, was appointed by the Board of Directors at the meeting held on 20 April 2023, following the General Shareholders' Meeting,

and will remain in office until the General Shareholders' Meeting called to approve the Financial Statements for the year ending 31 December 2025. It is made up of three (3) members:

MEMBERS	OFFICE HELD	ATTENDANCE RATE AT 2023 MEETINGS (NO. 11)	POSITION WITHIN THE AUDIT, RISK & SUSTAINABILITY COMMITTEE
Elisabetta Magistretti	Independent Director	100%	Chairwoman
Manuela Soffientini	Independent Director	100%	Member
Michela Schizzi	Independent Director	100%	Member
<b>Directors sitting in the Audit, Risk &amp; Sustainability Committee whose term expired upon the Shareholders' Meeting approving the Financial Statements for the year ended 31 December 2022</b>			
Nicoletta Giadrossi	Independent Director	100%	-

The professional profile of the members of the Audit, Risk & Sustainability Committee (available on Brembo's website, [www.brembo.com](http://www.brembo.com), section Company, Corporate Governance, Governing Boards and Committees) meets the experience requirements imposed by the 2020 CGC, including in order to ensure an efficient performance of the Committee's duties.

The duties and functioning of the Audit, Risk & Sustainability Committee are defined in its Regulations, which are available on Company's website.

The Audit, Risk & Sustainability Committee has the tasks set out in the 2020 CGC, and in particular that of supporting, through adequate preliminary activity, the BoD's assessments and decisions regarding the ICRMS, as well as those concerning the approval of periodic financial and non-financial reports, in addition to performing the function of Related Party Transactions Committee. The main sustainability tasks relate to:

- reviewing and assessing (i) sustainability policies aimed at ensuring the creation of value over time for Shareholders as a whole and all other stakeholders over the medium and long term, in accordance with sustainable development principles; (ii) sustainability guidelines, goals and the resulting processes, and sustainability reports submitted annually to the Board of Directors;
- monitoring international sustainability initiatives and

the Company's participation in such initiatives with the aim of strengthening its international reputation.

The following persons are invited to the Committee meetings:

- the Chairman of the Board of Statutory Auditors or another Acting Auditor delegated by the Chairman;
- the Director in charge of the Internal Control and Risk Management System and the Chief CSR Officer;
- the Chief Executive Officer (CEO);
- the Chief Internal Audit Officer;
- the Manager in charge of the Company's financial reports, or a person delegated by the said Manager, for matters falling within his remit;
- the Head of Risk Management;
- the Corporate & Compliance Manager, also serving as Committee permanent secretary.

Members in charge of the so-called second-level control functions are also invited from time to time to participate, by agreement with the Chairwoman of the Committee and the Executive Chairman, so that they can illustrate the main risk factors and risk mitigation plans/actions, each to the extent of his or her remit.

Given the similarity of the subjects addressed, the sessions of the Audit, Risk & Sustainability Committee often included the joint discussion with the Board of Statutory Auditors and the Supervisory Committee, in accordance with the

<sup>27</sup> Starting with its term beginning on 20 April 2017, for the first time the Board of Directors assigned the Committee responsibility for supervising sustainability issues, resulting in the change of the Committee's name from the Audit and Risks Committee to the Audit, Risk & Sustainability Committee, and its tasks as set out in the related regulation were updated accordingly. This decision was made in accordance with the suggestion contained in the comment on Article 4 of the previous Corporate Governance Code of Borsa Italiana S.p.A.

specific functions and duties of each, in order to ensure an immediate discussion and timely information flows.

As part of its functions, the Audit, Risk & Sustainability Committee supported the Board of Directors in constantly monitoring activities relating to the design, implementation and management of the Internal Control and Risk Management System. It also examined the reports submitted by the Director in charge of the Internal Control and Risk Management System and by the Chief Internal Audit Director on the occasion of the approval of the 2023 Financial Statements. On the basis of the activities performed, the Audit, Risk & Sustainability Committee confirmed its opinions on the adequacy of the System for 2023 as well through specific reports presented to the Board by the Chairwoman of the Committee.

In discharging its functions, the Audit, Risk & Sustainability Committee has access to the company information and

functions necessary from time to time to performing its duties, and it may also avail itself of expert advisors within the limits of the budget approved by the BoD.

In 2023, the Audit, Risk & Sustainability Committee held eleven (11) meetings, duly recorded in the minutes (lasting about 3.5 hours each on average), on the following dates: 8 and 22 February, 17 March, 5 April, 5 May, 6 and 21 July, 27 September, 27 October, 11 November and 18 December. In addition, as at the date of approval of this Report, the Committee held two (2) meetings on 31 January and 1 March 2024, during which it reported on the Internal Audit's activity until the end of the financial year and the final periodic reports for 2024 regarding the Internal Control and Risk Management System.

In supervising the Internal Control and Risk Management System, the Audit, Risk & Sustainability Committee carried out the following activities:

<b>Financial reporting process</b>	<p>The Committee:</p> <ul style="list-style-type: none"> <li>oversaw the effectiveness of the audit process, and assessed and expressed its opinion on the proper use of the accounting standards and their consistency within the Group for the purposes of preparing the Consolidated Financial Statements, based on the information provided by the Manager in charge of the Company's financial reports, and their consistency for preparing the Financial Statements;</li> <li>analysed the evaluation criteria and calculation procedures used for the purposes of the impairment tests;</li> <li>was informed by the Chief Administration and Finance Officer of the main points of attention identified by the Independent Auditors during their activity on site (that did not reveal significant deficiencies in the internal control system), in addition to the activities carried out in accordance with Italian Law No. 262/05 (and its extension to Group companies) and the Tax Control Framework implemented within the various Group Companies;</li> <li>examined the reports regularly provided by the Chief Administration and Finance Officer on significant transactions and transactions entailing a potential conflict of interests within the meaning of the corporate regulatory framework currently in force.</li> </ul>
<b>Risk management</b>	<p>The Committee was updated on a regular basis by the Head of Risk Management on the following:</p> <ul style="list-style-type: none"> <li>periodic Enterprise Risk Management process, and its integration with ESG factors, reviewing the update to Brembo's Risk Report as of 31 December 2022 and the Heat Map of the Group's risk profiles (including ESG-related risks) and the action/mitigation plans prepared and launched by management;</li> <li>new insurance covers for the Brembo Group, with in-depth analysis of the insurance spending trend;</li> <li>process for establishing the captive reinsurance company Brembo Reinsurance AG and its operations;</li> <li>plan for financing insurance risks and new insurance covers, which confirms the central role played by the captive company Brembo Reinsurance AG;</li> <li>the results of the "Climate Change Risks Assessment" project pursuant to the TCFD, carried out to evaluate the Company's resilience and related financial exposure (in the medium and long term) to both the physical effects of climate change and probable climate change and to the probable change in the legal, economic and financial framework with a view to a low carbon emissions economy, by applying scenario analyses and forecasting tools;</li> <li>an update on the losses by which the Company was affected;</li> <li>the definition of the contractual and insurance requirements for suppliers on the basis of the type of product/service provided.</li> </ul>
<b>Statutory Auditing — Independent Auditors</b>	<p>The Committee also met regularly with the Independent Auditors for updates on ongoing audit activities and to discuss the significant matters raised in the Independent Auditors' Report pursuant to Articles 14 and 16 of Italian Legislative Decree No. 39/2010, as amended by Legislative Decree No. 135/2016.</p>

<b>Internal Control System and Internal Audit</b>	<p>The Committee was regularly updated by the Chief Internal Audit Officer on the following matters:</p> <ul style="list-style-type: none"> <li>• the progress of audit activities (with an average opinion per audit and staffing situation to complete the plan), verifying their implementation according to the Audit Plan approved by the Board of Directors;</li> <li>• the results of audit activities, with an opinion on residual risk once the Plan is implemented;</li> <li>• an analysis of reports of violations of laws, procedures and regulations received and/or identified in the course of ethics audits, in compliance with the Whistleblowing Procedure;</li> <li>• the findings of the audit of compliance;</li> <li>• the function's Budget.</li> </ul> <p>These activities did not result in the identification of significant critical issues and allowed the Committee to confirm the substantial adequacy of the Internal Control and Risk Management System.</p>
<b>Sustainability and Disclosure of Non-Financial Information pursuant to Legislative Decree No. 254/2016</b>	<p>The Committee examined and expressed opinions on the following:</p> <ul style="list-style-type: none"> <li>• Brembo's 2022 Modern Slavery Statement, drafted pursuant to the Modern Slavery Act 2015 – Section 54 and in accordance with international best practices, was presented at the meeting of 5 May 2023<sup>28</sup>;</li> <li>• the feedback received from the Independent Auditors regarding the 2022 NFD assurance process was presented at the meeting of 6 July 2023;</li> <li>• in its meeting of 27 October 2023, the Committee was updated on: <ul style="list-style-type: none"> <li>– main regulatory developments regarding non-financial reporting introduced by the new CSRD – Corporate Sustainability Reporting Directive;</li> <li>– the materiality analysis pursuant to the GRI 3 Standard, in line with the impact materiality and financial materiality principles (impacts, risks and opportunities);</li> <li>– adjustment of indicators to be measured for the 2023 reporting;</li> <li>– updates in compliance with the EU Taxonomy (alignment of environmentally sustainable activities, integration of the 4 new objectives);</li> <li>– stakeholder engagement to confirms the outcome of the materiality assessment;</li> </ul> </li> <li>• at the meeting of 18 December 2023, the Chief CSR Officer presented the updated 2023 Materiality Matrix, subsequently approved by the Board of Directors on 19 December 2023, and the activities carried out for defining said Matrix, in addition to illustrating the contents of the new Stakeholder Engagement Policy;</li> <li>• at its meeting of 1 March 2024, the Committee conducted a preliminary examination of the 2023 NFD, prepared in accordance with Legislative Decree No. 254/2016 for reporting year 2023, finding it to be consistent with the provisions of the Decree and the international reporting standards of reference.</li> </ul>

Moreover, with the aim of further analysing specific risks and monitoring the improvement plans launched by management, the Committee conducted in-depth analyses on

specific issues, meeting directly with the Company's top managers, as summarised in the table below.

<b>DEPARTMENT</b>	<b>TOPICS DISCUSSED</b>	<b>MEETING</b>
HRO GCF	Organisational updates	
Transformation GCF	Update on the progress of the Ishango Project (project for digitalising the various company processes) Update on ICT risks (cybersecurity)	05.05.2023
Internal Audit GCF	Update on the adoption of the new platform for managing reports in accordance with Legislative Decree No. 24/2023 transposing Directive (EU) 1937/2019 on whistleblowing Information on the adoption of the New Whistleblowing Procedure and the ensuing updating of the General Section of the 231 Model	06.07.2023
A&F GCF	Information on the proposal to adopt the "Cooperative Compliance regime" pursuant to Legislative Decree No. 128/2015	21.07.2023
DPO	Annual report on the GDPR compliance system	27.10.2023
Marketing GCF	Information on the new Social Media Monitoring system	
Transformation GCF	Update on the Ishango Project (project for digitalising the various company processes) and Certification according to the TISAX (Trusted Information Security Assessment eXchange) standard (standard primarily required by German OEMs of their suppliers to demonstrate their commitment to the protection of intellectual property in the automotive industry).	11.12.2023

28 This document describes the measures adopted and implemented by the Company to ensure the absence of all forms of modern slavery, forced labour and human trafficking with respect to both its employees and its supply chain.

Even in the course these in-depth analyses inquiries, the Committee did not identify any significant critical issues with an impact on the adequacy of the Internal Control System, while also assessing the efficacy and impartiality of judgement, as well as the adequacy of the organisational structures of the various functions involved.

Committee members also participated in the Basic Induction programme organised by the Company, the details of which are presented in paragraph 4.6. In addition, after acknowledging the documentation approved by the BoD on 20 June and made available to the public in view of the

Shareholders' Meeting convened for 27 July and called upon to approve the Cross-Border Conversion proposal, they participated in the induction session held by the Dutch legal counsel on the Dutch Corporate Governance Code. The Committee was also constantly informed by the Chairman of the Supervisory Committee on the activities carried out for an update on the state of implementation of the compliance programmes of Group companies.

For further information on the activities performed by the Committee in its capacity as Related Party Transactions Committee, see paragraph 10.3.

### 9.3. CHIEF INTERNAL AUDIT OFFICER

Pursuant to the 2020 CGC recommendations, on the proposal of the Audit, Risk & Sustainability Committee and the Executive Director in charge of the Internal Control and Risk Management System, after having heard the opinion from the Audit, Risk & Sustainability Committee, the Remuneration & Appointments Committee and the Board of Statutory Auditors, on 15 September 2022 the Board of Directors appointed Matteo Tradii as Chief Internal Audit Officer and defined his (fixed and variable) remuneration, in accordance with company policies and current laws. It also ensured that the latter has access to resources suited to the fulfilment of his responsibilities.

The Chief Internal Audit Officer reports hierarchically to the Board of Directors, and in operational terms to the Executive Chairman. He also interacts with the Audit, Risk & Sustainability Committee, the Director in charge of the Internal Control and Risk Management System (ICRMSD), the Chief Executive Officer and the Board of Statutory Auditors, in such a way as to ensure constant efficacy and the requisite of independence in the performance of his duties, in accordance with the Company's governance system, while drawing inspiration from international best practices. The Chief Internal Audit Officer is not responsible for any operational areas; he has had direct access to all the information required to perform his duties, reported on his work at each meeting of the Audit, Risk & Sustainability Committee and Supervisory Committee and attended the meetings of the Board of Statutory Auditors.

Each year, after having obtained a favourable opinion from the Audit, Risk & Sustainability Committee and consulted with the Board of Statutory Auditors, the Board of Directors assesses and approves the Audit Plan and the Internal Audit function's budget.

The mission of Brembo's Internal Audit function is to ensure the performance of independent, objective assurance and advice activities aimed at improving the organisation's efficacy and efficiency. Internal Audit is tasked with assisting the Brembo Group in achieving its objectives through a systematic professional approach oriented towards providing value-added services in all areas within its purview with a view to achieving continuous improvement.

Internal Audit is also charged with verifying and assessing the operability and suitability of the Group's risk control and management system, in a manner consistent with the Guidelines and Policies for implementing the Internal Control and Risk Management System approved by the Board of Directors. In particular, this takes place through:

- an understanding of the risks and the assessment of the adequacy of the means used to manage them;
- an assessment of the adequacy and efficacy of the Internal Control and Risk Management System, while promoting effective control, at reasonable costs, with special regard to:
  - the reliability and integrity of accounting, financial, management and non-financial information;
  - the efficiency and efficacy of company processes and the resources allocated to them;
  - the compliance of processes and transactions with laws, supervisory regulations, rules, policies, plans and internal procedures;
  - the protection of the value of the Company's business and assets.

As part of its work, Internal Audit maintains constant relations with all the institutional control bodies and periodic relations with Directors and the Head of functions.

The activities carried out by the Internal Audit function are oriented towards risk prevention and the implementation of measures aimed at detecting and eliminating anomalies and irregularities, so as to support to the Group in achieving its pre-set operating targets.

During 2023, Internal Audit operated based on the approved Three-year Audit Plan, which is updated on a yearly basis in light of the changed risk scenarios, and which provides for: audits of compliance with Law No. 262/05 (carried out chiefly through the new Control Owner testing) and Legislative Decree No. 231/2001, IT audits, audits on relevant compliance activities, ethics audits based on specific reports received and operational audits, as well as organisational audits for the newly acquired companies.

The Chief Internal Audit Officer checked the reliability of the Company's IT systems, with specific emphasis on the accounting systems, as contemplated under the Audit Plan, coordinating his activity with the Independent Auditors.

With regard to Legislative Decree No. 231/2001, the ongoing support provided by the Internal Audit function to the Supervisory Committee included the drawing up of a specific Audit Plan that was subsequently approved by the

said Committee.

Throughout 2023, the Internal Audit function continued its monitoring of management of main risks, including through follow-ups of the improvement plans defined by management. It also performed continuous monitoring through data analytics tools on several operating risks, in addition to providing Brembo's management with information and training regarding the Internal Control and Risk Management System.

In the meeting of 1 March 2024, the Chief Internal Audit Officer submitted to the Audit, Risk & Sustainability Committee his Annual Report on the adequacy of the Internal Control and Risk Management System, based on the outcome of the activities performed in the year of reference.

The Manager in charge of the Company's financial reports was also duly informed about the assurance activities carried out in 2023 with regard to Law No. 262/05, both during periodic meetings and through the Annual Report on the adequacy of the control model implemented for the purposes of Law No. 262/05, in addition to being updated on the results of the tests conducted by the Internal Audit function in this regard.

#### 9.4. ORGANISATIONAL MODEL ACCORDING TO LEGISLATIVE DECREE NO. 231/2001

Brembo adopted an Organisational, Management and Control Model to fulfil all the legal requirements and comply with all principles that inspired Italian Legislative Decree No. 231/2001, with the aim to rely on an effective instrument of corporate management, able to create and protect the Company's value. Through the adoption of this Model, Brembo formalised a structured and consistent system of control procedures and activities — already existing within the Company — in order to prevent and monitor the risk that 231/2001 predicated Offences might be committed.

In the course of the periodic verification of the efficacy and adequacy of the compliance system implemented, in 2023 the Company constantly monitored any impacts on processes relevant for the purposes of Legislative Decree No. 231/2001 and the related protocols.

The monitoring of the preventative measures and protocols implemented by Brembo and verification of the state of progress/conclusion of improvement measures emerging from audit activity that have an impact on control protocols thus continued in 2023.

In addition, through its Legal and Corporate Affairs Department, in 2023 the Company updated both the General Section and several Special Sections of its 231 Model in two occasions:

- in July 2023, following the adoption of the new Whistleblowing Procedure, the General Section of the 231 Model was updated. In detail, amendments regarded:
  - Definitions: addition of the definition of the Whistleblowing Decree (Legislative Decree No. 24/2023 transposing Directive (EU) 1937/2019);
  - List of 231 Offences: Article 25-ter (Corporate Offences) was expanded to include the new offence of False or omitted statements for the issuance of the pre-operation certificate (Article 54 of Legislative Decree No. 19/2023), an offence included among the predicate offences by Legislative Decree No. 19/2023 regarding cross-border conversions, mergers and de-mergers;
  - Disciplinary Framework: it was clarified that it also applies in cases of violation of the Whistleblowing Procedure;
  - Whistleblowing Procedure: paragraph fully revised

in accordance with the new procedure and new channel.

- November 2023: on the basis of the in-depth analyses conducted and shared also with the Supervisory Committee at the meeting of 27 October 2023, the Company, through its Legal and Corporate Affairs Department, updated its 231 Model, in both the General Section and one Special Section (entitled "Offences associated with Receiving, Money Laundering and Using Money, Assets or Profits Obtained Illegally, as well as Self-Laundering"), in order to reflect the regulatory changes introduced by Article

25-novies of Legislative Decree No. 231/01 (Copyright infringement), Article 353 of the Italian Criminal Code (Bid rigging); Article 353-bis of the Italian Criminal Code (Interference with the tender process), Article 512-bis of the Italian Criminal Code (Fraudulent transfer of values), while also updating, where necessary and applicable, the offence, the related sensitive activities and control protocols.

The 231 Model (Fifth Edition, most recently updated in November 2023, available on the website) is made up of:

General Section	A General Section illustrating the Company's profile, the regulations of reference, underlying principles and the elements making up the Model (Corporate Governance System, Internal Control System, Principles governing the system of delegated powers, Code of Ethics), the function of the Model, the ways in which the Model is constructed and structured, the recipients of the Model, relations with Group companies, as well as the disciplinary system and the measures to be implemented in terms of training, circulation, amendment and updating.
Special Sections	The Special Sections and the associate Sensitive Activity Analysis Sheets (the latter of which are intended for the Company's exclusive internal use) focusing on specific types of 231 Offences which — in light of Brembo's profile and business operations — could, in the abstract, be committed within the Company.
Code of Ethics	It forms an integral part of the Model, laying down the general principles and values that must inspire and inform the professional conduct of any and all the persons serving or acting on behalf of Brembo in any capacity whatsoever, also for the benefit of all stakeholders, even with reference to intentional crimes and negligent manslaughter or personal injury committed in violation of accident-prevention and occupational health and safety regulations. In 2023, the Code of Ethics was also extended to Brembo Reinsurance AG, and its content was disseminated to its employees, including through related training.
Brembo Compliance Guidelines	These summarise the main rules of conduct and main control principles indicated in the Special Sections of the 231 Model which the Subsidiaries are required to adopt to prevent crimes within the meaning of Legislative Decree No. No. 231/2001 from being committed. They prevent from criminal liability being transferred to Brembo S.p.A. and its subsidiaries and vicarious corporate liability being transferred from the Subsidiaries to the Parent. The most recent edition was approved by the Board of Directors on 28 July 2022.
Antibribery Code of Conduct	Code of Conduct that, in line with the principles entrenched in the Code of Ethics and international best practices, is aimed at: <ul style="list-style-type: none"> <li>ensuring transparency principles;</li> <li>clearly delineating the bounds of permitted behaviour and ensuring compliance with antibribery regulations in force in all the jurisdictions in which Brembo operates by any and all persons serving Brembo in any capacity whatsoever;</li> <li>ensuring the highest levels of integrity by defining, <i>inter alia</i>, Brembo's policy regarding the acceptance and offer of gifts, hospitality and entertainment (i.e., the free provision of goods and/or services for promotional or public relations purposes).</li> </ul> The Code defines each party's responsibilities in order to ensure the observance of the highest standards of integrity and avoid any suspicion of inappropriate motivations underlining the offer or acceptance of a gift or act of hospitality, or an undue influence exercised on or by the recipient who accepts such an offer. The second edition of the Code, approved by the Board of Directors on 27 July 2017, raises the maximum limit on Brembo merchandising gifts (intended to promote the brand), while also requiring that Subsidiaries adopt a merchandising catalogue similar to that of the Parent. <p>In 2023, the Antibribery Code of Conduct was also extended to Brembo Reinsurance AG and its content was disseminated to its employees. The related training was also provided to employees.</p>
Regulation governing the proceedings of the Supervisory Committee	Regulation revised and approved by the Supervisory Committee itself on 11 May 2017, to reflect its renewed composition, which no longer calls for the involvement of members of the Board of Statutory Auditors.

Group compliance system	<p>This system entails the adoption of the 231 Model, the setting up of a Supervisory Committee tasked with constantly monitoring the functioning, appropriateness and effectiveness of the Model in question, as well as:</p> <ul style="list-style-type: none"> <li>• the adoption by each Subsidiary of a compliance programme designed in compliance with the local regulatory framework governing corporate vicarious/criminal liability;</li> <li>• the implementation by all Subsidiaries of the general rules of conduct imparted by the Parent (Brebo Corporate and Compliance Tools) with a view to ensuring compliance with high ethical standards throughout the Group. In fact, if local regulations are less stringent than those of the Parent, then the latter's compliance principles will prevail (principle of prevalence). As well as the Antibribery Code of Conduct and Brebo Compliance Guidelines, the following instruments are also to be taken into account: <ul style="list-style-type: none"> <li>– Brebo's Code of Basic Working Conditions that codifies the principles underlying Brebo's relationships with its employees, intended exclusively for internal use within the Company;</li> <li>– the Supplier Code of Conduct;</li> <li>– the Brebo Policy on Non Discrimination and Diversity;</li> <li>– Brebo's Operating Procedures, Instructions, and related Internal Authorisation Matrices, available for consultation on the Company's portal and referenced in the Sensitive Activity Analysis Sheets, in that they serve the preventive purposes contemplated in Legislative Decree No. 231/2001;</li> <li>– other management systems and/or procedures applicable in certain corporate areas, in compliance with specific regulatory requirements, but also serving the preventive goals contemplated in Legislative Decree No. 231/2001.</li> </ul> </li> </ul> <p>In 2023, the Chairman of the Supervisory Committee sent questionnaires to the Group companies' CGMs to assess the state of implementation of the local compliance programmes.</p>
-------------------------	---

#### OTHER TOOLS OF BREBO'S COMPLIANCE SYSTEM

Brebo Antitrust Code of Conduct	<p>In 2017, in order to raise awareness among company departments of compliance with competition rules, in accordance with the principles enshrined in its Code of Ethics<sup>29</sup>, Brebo prepared and adopted an Antitrust Code of Conduct, in addition to the other compliance documents already issued. It represents a practical guide, tailored to Brebo's business, that provides a simple, accessible explanation of:</p> <ul style="list-style-type: none"> <li>• the restrictions imposed by antitrust rules;</li> <li>• the cases in which such restrictions may most frequently be breached;</li> <li>• the most common areas/situations of risk of violations of antitrust rules;</li> <li>• the proper behaviour to be adopted to ensure full compliance with antitrust legislation in the various countries in which Brebo operates.</li> </ul> <p>Brebo Antitrust Code of Conduct applies to employees of Brebo S.p.A. and its subsidiaries in the EU and forms a model of reference for the compliance programmes.</p> <p>The Code is a point of reference for the Company's compliance programmes and applies to employees of both the Parent and the European subsidiaries. In 2019, the local boards of directors of the European Subsidiaries implemented Brebo's Antitrust Code of Conduct with an Addendum (translated into the local language) with the aim, <i>inter alia</i>, of indicating and modifying (where necessary) employees' behaviour in accordance with local legislation.</p>
Privacy Policy and other Operating Procedures	<p>The Privacy Policy was approved by the Board of Directors of Brebo S.p.A. on 8 May 2018 to set out the most important personal data protection principles and how they are to be implemented, including in light of the new European General Data Protection Regulation (Regulation No. 679/2016/EU – GDPR), applicable in all Member States of the European Union with effect from 25 May 2018.</p> <p>The Privacy Policy applies to Brebo S.p.A. and the Group's various Subsidiaries based in the European Union.</p> <p>The DPO submits on an annual basis to the Board of Directors the DPO's Annual Report (in 2023, this occurred on 9 November). Said Report was drawn up taking account of: (i) internal and external (supplier) control activities performed; (ii) statistics regarding any Personal Data breaches that have occurred; (iii) number of requests received from data subjects; (iv) training activity carried out and planned; (v) number of requests for information received from local supervisory/judicial Authorities; (vi) Personal Data processing impact assessments conducted during the period. Based on the findings of this year's Report, the DPO deemed appropriate the level of alignment with the GDPR.</p> <p>In addition, operating procedures such as the following have been issued in execution of the Policy:</p> <ul style="list-style-type: none"> <li>• Data Breach Management Procedure;</li> <li>• Procedure for the Exercise of the Rights of Data Subjects;</li> <li>• Procedure Privacy by Design – Privacy By Default;</li> <li>• Procedure for the Exercise of the Right to Data Portability.</li> </ul>

<sup>29</sup> Available from the website [www.brebo.com](http://www.brebo.com), in the section Company, Corporate Governance, Codes & Policies, on the basis of which Brebo acts in accordance with the principles established by national and international legislation safeguarding free competition with a view to promoting fair competition.

Modern Slavery Statement	<p>In accordance with the contents of the British Modern Slavery Act 2015, Brembo S.p.A. publishes its Modern Slavery Act on an annual basis. Said Statement:</p> <ul style="list-style-type: none"> <li>• was adopted for Brembo S.p.A. and for some of the Group Companies concerned by the requirements specified in the legislation (Brembo Poland Sp.zo.o., Brembo Czech S.r.o., Qingdao Brembo Trading Co. Ltd. and J.Juan SAU). It should be noted that the Company AP Racing, wholly controlled by Brembo S.p.A., prepares and approves its own Statement and publishes it on its own website;</li> <li>• describes the organisation, sensitive areas and actions/measures adopted by the Company to ensure the absence of any form of modern slavery, forced labour and human trafficking both in respect of its own employees and of the supply chain (identified by the same legislation as areas exposed to risk).</li> </ul>
Global Tax Strategy and Brembo S.p.A.'s Tax Strategy	<p>In 2019, Brembo started the implementation of the Tax Control Framework of Brembo S.p.A. (set of rules, procedures, organisational structures and control measures to allow the risk arising from the tax variable to be reported, measured, managed and controlled) so as to guarantee that tax management (for both the Group and Brembo S.p.A.) ensures to pursue the following objectives over time:</p> <ul style="list-style-type: none"> <li>• long-term growth of company assets and protection of the Brembo Group's reputation and the interests of its Shareholders;</li> <li>• proper, timely calculation and payment of taxes due by law and fulfilment of the related obligations;</li> <li>• containment of tax risk, understood as the risk of violating national and international tax laws or abusing the principles and purposes of the tax system.</li> </ul> <p>In particular, during the meeting held on 7 November 2019 the BoD approved the Global Tax Strategy and Brembo S.p.A.'s Tax Strategy.</p> <p>The Company also implemented:</p> <ul style="list-style-type: none"> <li>• an Interpretative Tax Risk Management Policy, drafted in the form of a procedure applicable solely to the Parent, designed to ensure the consistency, objectivity and traceability of the interpretative decisions made by the Tax Function of Brembo S.p.A., including by establishing appropriate rules for the processing of reaching such decisions;</li> <li>• the Brembo Group's Tax Compliance Model, which contains the organisational and governance guidelines that the company functions of Brembo entities within the TCF scope follow to ensure proper management of tax risk.</li> </ul> <p>There are multiple benefits resulting from implementing the Tax Control Framework (such as mitigation of the responsibilities of company bodies, reduction of situations of conflict with revenue authorities due to preventive risk management, prevention of violations of tax laws and a potential reduction of the penalties applied to the Group, etc.) and they all contribute to informed, scrupulous and effective management of the tax variable.</p>

#### 9.4.1. SUPERVISORY COMMITTEE

The Supervisory Committee, made up of three (3) members, was confirmed by the Board of Directors in the session

that followed the General Shareholders' Meeting of 20 April 2023 and will continue to serve until the end of the term of office of the Board of Directors, namely until the date of approval of the 2025 Financial Statements.

MEMBERS	OFFICE HELD	ATTENDANCE RATE AT 2023 MEETINGS (NO. 9)	POSITION WITHIN THE SUPERVISORY COMMITTEE
Giovanni Canavotto	Independent Expert	100%	Chairman
Elisabetta Magistretti	Independent Director	100%	Member
Matteo Tradii	Brembo's Chief Internal Audit Officer	100%	Member

In accordance with Brembo's 231 Model concerning the requirements for members of the Supervisory Committee (autonomy, independence, integrity and professionalism), best practices and case law on this subject, the function of Supervisory Committee was entrusted to a collegial body made up of three (3) members, identified amongst persons complying with the professional and independence requirements, as well as with specific investigative and advisory skills. The Chairman of the Committee is external to the Company's organisation.

As regards the specific activities within its remit, the Supervisory Committee met on 22 February, 5 April, 5 May, 6 and 21 July, 27 September, 27 October, 11 and 18 December 2023. The Supervisory Committee also met for preparatory and coordination purposes in view of the different meetings with the other Company second-level functions. Moreover, the Chairman of the Supervisory Committee interfaced with the Heads of the second-level entities to get updates on the respective activities underway.

The Committee also attended the meetings of the Audit, Risk & Sustainability Committee and Board of Statutory Auditors for the matters within its responsibility and interest and in order to exchange information on a periodic basis.

In addition to the foregoing, in 2023 the Supervisory Committee specifically:

- consulted independently with the Internal Audit Department to examine certain risk-assessment analyses made by the 231 Team, as well as to analyse the audits carried out as a result of some reports;
- met with the Supervisory Committees of Group companies, where formed, to exchange information on the activities carried out during the reporting period;
- through questionnaires sent to the different Group Companies' Country General Managers of the main countries in which Brembo operates, performed an in-depth analysis of the progress of the respective local compliance programmes and rose awareness among the Country General Managers on compliance issues.

In 2024, three (3) meetings were held:

- on 31 January 2024, during which the Head of Risk Management reported on the 2023 Risk Report (ERM and ESG risks);
- on 21 February 2024, during which the new regulatory developments regarding Italian Legislative Decree No. 231/2001, the Group training on the compliance and business ethics system and the periodic report to the Supervisory Committee were analysed;
- on 1 March 2024, during which it was reported on the Internal Audit's activity until the end of the financial year and the final periodic reports for 2023 regarding the internal control and risk management system.

In acknowledging the ongoing updating of the 231 Model and its protocols and in keeping with the assessments previously expressed, the Supervisory Committee confirmed that the general structure of Brembo's 231 Model remains intact, and that the Internal Audit's assurance and monitoring activities, the 231 Risk Assessment and the various reports submitted revealed no facts, acts, events or omissions that were critical in respect of compliance with the requirements of the 231 Model.

In order to check that the 231 Model was implemented effectively, audit activities were carried out with the support of the Internal Audit function, based on the Supervisory Committee's action plan. Oversight of the 231 Model was performed through the following activities:

- an analysis of the reports received by the Supervisory Committee;
- an analysis of the flow of information contained in the half-yearly report submitted to the Supervisory Committee by the internal functions of Brembo S.p.A. and relevant personnel of Group companies;
- meetings with the Heads of sensitive areas and/or functions within the meaning of Legislative Decree No. 231/2001.

During the year, no violations of laws subject to the penalties provided for in Legislative Decree No. 231/2001 were reported.

#### 9.4.2. WHISTLEBLOWING CHANNEL

In 2007, Brembo set up whistleblowing channels to ensure the reporting of irregularities or violations of the Code of Ethics and Brembo S.p.A. Organisational, Management and Control Model according to Legislative Decree No. 231/2001, along with any anomalies or weaknesses in the Company Internal Control System.

Accordingly, in compliance with Legislative Decree No. 24/2023, the Company, with effect from 15 July 2023, adopted a whistleblowing channel compliant with applicable legislation that ensures the confidentiality of:

- the identity of the whistleblower, the person involved and the person otherwise mentioned in the report;
- the content of the report and the related documentation.

This internal whistleblowing channel is managed through a platform that uses IT systems and cryptography and is capable of ensuring the confidentiality of the identity of the whistleblower and the persons involved, the content of the report and the related documentation. The channel can be accessed through:

- the Legality Whistleblowing online platform;
- the Legality Whistleblowing mobile app.

Brembo vested its Internal Audit GCF function, in the person of the Chief Internal Audit Officer, with responsibility for managing its internal whistleblowing channel, as an autonomous, dedicated office with personnel specifically trained to manage the whistleblowing channel.

Reports may be submitted in both written and oral form<sup>30</sup>. The whistleblower may also request a direct meeting with

<sup>30</sup> All reports and the related documentation are stored for no more than five (5) years from the date of closure. Personal data are processed in accordance with Regulation (EU) 2016/679.

the channel manager, leaving a written or oral message on the platform.

Reports may be submitted by parties with ties to Brembo's activity, such as Brembo Group employees, freelancers, contractors, freelancers, self-employed professionals and advisors; employees or contractors of suppliers, contracting firms or sub-contracting firms; customers; volunteers and interns; Shareholders and individuals with administration, management, control, supervision and representation functions.

The report may concern behaviours, acts or omissions relating to the Brembo Group's activities in the following areas:

- violations of specific Italian or EU laws that harm the public interest or integrity of the public administration or of Brembo<sup>31</sup>;
- breaches of Brembo S.p.A.'s Organisational, Management and Control Model according to Legislative Decree No. 231/2001;
- breaches of other codes of conduct, policies and corporate procedures for which a whistleblowing channel is in place (including, without limitation: Code of Ethics, Antibribery Code of Conduct, Antitrust Code of Conduct, Privacy Policy, Code of Basic Working Conditions, Policy on Non Discrimination and Diversity, Sustainable Procurement Policy).

When the Chief Internal Audit Officer establishes that the report falls within the scope of application of the Organisational, Management and Control Model according to Legislative Decree No. 231/2001, it is also reported through the platform to the Chairman of the Supervisory Committee of Brembo S.p.A., who may have access to the content of the report as entity responsible for managing such reports.

Brembo has thus adopted a new procedure designed to ensure the protection of the confidentiality and of personal data and to set out the methods for storing the documentation relating to the report (response, verification and analysis), ensuring that this is done in the manner and terms established by the legislation in effect from time to time (hereafter referred to as the "Whistleblowing Procedure").

In order to ensure that it is circulated as broadly as possible, the Whistleblowing Procedure is posted on company notice boards, in addition to being published on Brembo's Intranet portal and the platform accessible from Brembo's website. In addition, all Company employees have been specifically informed of the publication of the new Whistleblowing Procedure via e-mail.

The Whistleblowing Procedure applies to all reports received by the Parent, Brembo S.p.A., whereas the following applies to other Group companies:

- Brembo S.p.A.'s European subsidiaries with at least 50 employees adopt a procedure analogous to that of the Parent, taking account of the prerogatives of the respective national law transposing Directive (EU) No. 2019/1937, establishing their own internal whistleblowing channel and identifying a party to manage the channel;
- the Group's non-European companies ensure the functioning of their own internal whistleblowing channels, where existing, and comply, where necessary, with applicable legislation from time to time.

However, it is understood that all Brembo Group companies may decide to entrust the management of the internal whistleblowing channel to the Internal Audit GCF, in the person of the Chief Internal Audit Officer, as compatible with local legislation, and/or use the Parent's platform to manage it.

Without prejudice to the above, it should be noted that at the discretion of the whistleblower, at all Brembo S.p.A.'s Subsidiaries, it is still possible to send reports via the local internal channel, where existing, or, alternatively, through the whistleblowing channel of the Parent, Brembo S.p.A. In addition, in accordance with Italian Legislative Decree No. 24/2023, the whistleblower may use the external whistleblowing channels established by the authorities in each country.

For further information: [www.brembo.com/en/company/corporate-governance/whistleblowing-channel](http://www.brembo.com/en/company/corporate-governance/whistleblowing-channel).

<sup>31</sup> In further detail, these include:

- a) breaches of and European laws that consist of offences relating to the following sectors: public procurement; financial services, products and markets, and prevention of money laundering and terrorist financing; product safety and compliance; transport safety; protection of the environment; radiation protection and nuclear safety; food and feed safety, animal health and welfare; public health; consumer protection; protection of privacy and personal data, and security of network and information systems;
- b) breaches of European provisions that consist of: i) acts or omissions affecting the financial interests of the Union; ii) acts and omissions relating to the internal market; iii) acts and behaviour that defeat the object or purpose of provisions of acts of the Union in the sectors cited above;
- c) breaches of Italian provisions that consist of: i) administrative, accounting, civil or criminal offences; ii) relevant unlawful conduct pursuant to Legislative Decree No. 231/2001 or breaches of organisation and management models.

## 9.5. INDEPENDENT AUDITORS

The Shareholders' Meeting convened on 22 April 2021 awarded Deloitte & Touche S.p.A. the mandate for the statutory auditing of the accounts for nine (9) financial years, precisely for the years from 2022 to 2030, pursuant to Italian Legislative Decree No. 39 of 27 January 2010 and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014, on the basis of the recommendation expressed by the Board of Statutory Auditors currently in office.

The award of assignments to the Independent Auditors is subject to two procedures, drafted in accordance with the changes introduced by Legislative Decree No. 135/2016 and taking into account the auditing of the Disclosure of Non-Financial Information pursuant to Italian Legislative Decree No. 254/2016. These procedures — examined and approved, in their first version, by the Board of Statutory Auditors during its meeting of 18 July 2017 — govern:

- the process for selecting and awarding the statutory auditing assignment to Independent Auditors, as required by law, with the aim of safeguarding the independence of the external auditors — a fundamental guarantee of the reliability of accounting information;
- the process of granting assignments other than independent auditing, with the aim of:
  - avoiding the granting of assignments for services included in the catalogue of those banned by law;
  - regularly monitoring that the fees paid for independent auditing are proportional to the fees for Other Services, in accordance with laws and regulations in force;
- the assignment of duties during the cooling period<sup>32</sup>.

In conducting their activity, the engaged Independent Auditors have free access to the information, print and electronic documents, archives and assets of the Parent and

its subsidiaries. The Financial Statements of subsidiaries deemed material as per the Issuers' Regulation, Article 151, paragraph 1, are subject to legal auditing of their accounts by the firm that audits Brembo's Financial Statements.

The Board of Statutory Auditors, with which the Internal Control & Audit Committee is identified, pursuant to Legislative Decree No. 39/2010, as amended by Legislative Decree No. 135/2016, and the Independent Auditors periodically exchange information and data about their respective areas of supervision and control. The Board of Statutory Auditors periodically verifies, on an advance basis, assignments other than auditing, in order to assess whether they are compatible with the statutory auditing assignment for the purposes of continuing satisfaction of the independence requirement, and monitors the ratio of auditing fees to fees for other services, to ensure that an appropriate balance is always maintained, in accordance with applicable laws and regulations.

Moreover, the Independent Auditors meet regularly with the Board of Statutory Auditors and, during some sessions, also jointly with the Audit, Risk & Sustainability Committee, for updates on audit activities and to discuss the significant matters raised in the Independent Auditors' Report pursuant to Articles 14 and 16 of Legislative Decree No. 39/2010, as amended by Legislative Decree No. 135/2016.

The Independent Auditors in office were also assigned responsibility for verifying the preparation of the Disclosure of Non-Financial Information drafted in accordance with Legislative Decree No. 254/2016, and were granted an assignment to conduct limited assurance on the Disclosure of Non-Financial Information of Brembo by assessing the appropriateness and efficiency of the reporting approach and activity.

## 9.6. MANAGER IN CHARGE OF THE COMPANY'S FINANCIAL REPORTS

Pursuant to Article 27-bis of the By-laws, on the basis of a non-binding opinion from the Board of Statutory Auditors, on 20 April 2023<sup>33</sup> the Board of Directors confirmed the current Chief Administration & Finance Officer, Andrea

Pazzi, as the Manager in charge of the Company's financial reports, inasmuch as his function at Brembo involves managing the entire accounting information cycle, from the administrative and accounting procedures for the pro-

<sup>32</sup> It is understood that until the new independent auditors are appointed by the Shareholders' Meeting, the principles and restrictions set out for the new incoming independent auditors will apply to the two companies identified in the final selection phase and indicated in the Reasoned Recommendation issued by the Board of Statutory Auditors.

<sup>33</sup> Andrea Pazzi was appointed for the first time Manager in charge of the Company's financial reports by the Board of Directors on 5 March 2018.

duction of the data included in the financial statements to the preparation of the draft financial statements, and also because the Group's entire finance structure, i.e., all subsidiaries of Brembo S.p.A., report to him.

Upon reappointment, also with the favourable opinion of the Board of Statutory Auditors, the Board verified once again the satisfaction of the necessary professionalism requirements and granted him the pertinent powers for the performance of the function. The Manager in charge of the Company's financial reports is responsible for defining and assessing the adequacy and efficacy of the specific administrative and accounting procedures, as well as of the related control system, safeguarding against the risks inherent in the process of preparing financial information. The as-

signment is set to expire on the date of the Shareholders' Meeting called to approve the Financial Statements for the year ending 31 December 2025.

The Manager in charge of the Company's financial reports:

- takes part in the BoD's meetings to submit and illustrate the accounting and financial interim reports, as well as to provide updates on matters within his specific remit;
- is invited to all meetings of the Audit, Risk & Sustainability Committee and Board of Statutory Auditors in order to provide the information in his purview and report with half-yearly frequency on monitoring obligations and activities for the purposes of the attestations envisaged in Article 154-bis of TUF.

## 9.7. COORDINATION BETWEEN PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

By drafting and approving the "Guidelines for the Brembo Internal Control and Risk Management System", the Board of Directors not only indicates the objectives of the System, but also describes its participants and Bodies — both inside and outside the Company — and illustrates their responsibilities and defines methods of interaction and coordination of the various parties involved.

In order to effectively implement these guidelines, the Executive Director in charge of the Internal Control and Risk Management System has defined the "Policies for the Management of the Internal Control and Risk Management System" with the aim of tracing its overall integrated structure, so as to permit the main company risks to be identified and managed and to design the System in light of the current organisational structure, the legislative and regulatory framework and best practices. This is aimed at ensuring ongoing information flows among the various parties with a view to greater efficiency and maximum mutual integration.

From a strictly operative point of view, coordination is also ensured through:

- a constant information flow between the different parties involved in the ICRMS;
- participation of the various parties concerned in joint meetings for discussion of ICRMS-related issues;
- dissemination of the Internal Audit function's reports

to the various ICRMS parties;

- circulation of the minutes, the work files and reports of the Chairwoman of the Audit, Risk & Sustainability Committee to the Chairman of the Board of Statutory Auditors and of the Supervisory Committee.

Moreover, in order to maximise the efficiency of the ICRMS and reduce activity overlappings, specific coordination procedures are provided for among the different parties involved in it. In this regard, it should be noted that:

- the ICRMSD, Chief Executive Officer, Chief Internal Audit Officer, Manager in charge of the Company's financial reports and Head of Risk Management participate constantly in the work of the Audit, Risk & Sustainability Committee;
- the Audit, Risk & Sustainability Committee and the Supervisory Committee report to the BoD at least every six months — and in any event when the draft Financial Statements and Six-Monthly Report are approved — on the activity performed and the adequacy of the Internal Control and Risk Management System;
- the Audit, Risk & Sustainability Committee, Board of Statutory Auditors and Supervisory Committee organise joint meetings during the year on issues of common interest to share reflections and/or opinions; the Chairman of the Board of Statutory Auditors is periodically invited to participate in the meetings of the Supervisory Committee.

# 10. DIRECTORS' INTERESTS AND RELATED PARTY TRANSACTIONS

Brembo has examined and assessed the impact of Legislative Decree No. 49/2019, which transposed into Italian law Directive (EU) 2017/828 (the so-called "*Shareholder Rights Directive II*") on related parties, and acknowledged the en-

suing amendments introduced by Consob to the Issuers' Regulation and the Regulation on Related Party Transactions on 10 December 2020, which became effective on 1 July 2021.

## 10.1. CONFLICT OF INTERESTS

Brembo's Board of Directors did not deem it necessary to adopt special operating solutions suitable to facilitate the identification and adequate handling of situations in which a Director is the bearer of an interest on his or her own behalf or on behalf of third parties, as it adopts from time to time any and all measures it deems fit in such regard, in compliance with applicable regulations (including, without limitation, the disqualification from voting on matters pertaining thereto, or requesting to leave the meeting while the relevant resolution is being taken).

The Board found the current rules and procedures adequate in light of the provisions set forth by:

- Article 2391 of the Civil Code ("Directors' Interests"), which requires Directors to "notify all the other Directors and the Board of Statutory Auditors of any and all interests that they may bear, on their own behalf or on

behalf of third parties, in any transaction effected by the Company, specifying the nature, terms, origins and extent of any and all such interests";

- the Regulation on Related Party Transactions recently modified by Consob<sup>34</sup>, in order to implement Article 2391-*bis* of the Civil Code, which provides that the "Directors involved in the transaction", i.e., the Directors who have an interest in the transaction, on their own account or on account of third parties, in conflict with that of the Company, must refrain from voting on related party transactions, whether qualifying as transactions of lesser importance (where decided by the Board of Directors) or transactions of greater importance (which are always decided by a full meeting of the Board of Directors). Said principle was explicitly stated also in the Related Party Transactions Procedure as updated by the BoD on 10 May 2021.

## 10.2. RELATED PARTY TRANSACTIONS PROCEDURE<sup>35</sup>

The purpose of the Procedure, as also specified in the Code of Ethics of Brembo, is to ensure the transparency and the substantive and procedural propriety of any Related Party Transactions, with a view to safeguarding the Company's higher interests. As a general rule, said transactions may be concluded only when strictly necessary in the Company's interest, without prejudice to the foregoing provisions.

The Procedure indicates the rules for evaluating the transactions of lesser and greater importance undertaken directly by Brembo or through its subsidiaries. It also establishes the organisational control measures and information flows deemed fit to ensuring that the competent Bodies enjoy complete, timely access to all information useful in evaluating such transactions.

Brembo S.p.A.'s Related Party Transactions Procedure, approved by the BoD on 10 May 2021 with the prior favourable opinion of the Audit, Risk & Sustainability Committee of 4 May 2021, incorporated the amendments to the RPT Regulation introduced by Consob with Resolution No. 21624 of 10 December 2020 (in implementation of Italian Legislative Decree No. 49/2019 transposing the SHRD – Directive (EU) 2017/828).

In short, the main changes were:

- update of the definitions of "related party" per the new IASs/IFRSs;
- introduction of the definition of "Directors Involved in the Transaction";
- introduction of distinct criteria for identifying transac-

<sup>34</sup> Changes introduced by Consob to the Issuers' Regulation and the Regulation on Related Party Transactions on 10 December 2020.

<sup>35</sup> Adopted for the first time on 12 November 2010, in accordance with Consob Regulation (Resolution No. 17221 of 12 March 2010 and Resolution No. 17389 of 23 June 2010), in light of the unanimous and favourable opinion of the Audit & Risk Committee (appointed for that purpose, being composed of three (3) Independent Directors).

tions of small amount (on the basis of the counterparty's nature);

- prior reporting to the Audit, Risk & Sustainability Committee (which at Brembo also acts as the RPT Committee) for regular transactions of greater importance (by the same Consob reporting deadline);
- ex-post reporting (on a quarterly basis) to the Audit, Risk & Sustainability Committee for the following types of Transactions:
- Transactions of Small Amount;
- Regular Transactions (whether of greater or lesser importance).

It should be noted that such reporting was already in place at Brembo and the practice in question was therefore for-

malised in accordance with the new Consob Resolution.

In addition, following an in-depth analyses, the Company deemed it appropriate to adopt the "Framework Resolutions", already envisaged by the original RPT Regulation, that were not changed by Consob Resolution No. 21624 of 10 December 2020 (in implementation of Legislative Decree No. 49/2019 transposing the SHRD – Directive (EU) 2017/828).

The updated edition of the Procedure, which became effective as of 1 July 2021, is available on Brembo's website ([www.brembo.com](http://www.brembo.com), section Company, Corporate Governance, Governance Documents) and is summarised in the following table.

### MAIN ASPECTS OF THE RELATED PARTY TRANSACTIONS PROCEDURE

Related Party Transactions Committee	This function is performed by the Audit, Risk & Sustainability Committee, as it consists of three (3) Non-executive and Independent Directors.
Scope of Application	Parties set forth in Annex 1 to the Consob Regulations (which refers to IAS 24, in the version in force from time to time): <ul style="list-style-type: none"> <li>• Brembo S.p.A.'s Directors, both executive or non-executive;</li> <li>• Acting Auditors;</li> <li>• Key Management Personnel (i.e., Executive Chairman and CEO of Brembo S.p.A.);</li> <li>• close members of the family of Directors and Acting Auditors who could influence, or be influenced by, that individual in their dealings with Brembo;</li> <li>• entities in which one of the individuals or entities mentioned above exercises sole or joint control or significant influence, or in which the said individual or entity directly or indirectly holds a significant stake bearing no less than 20% of the voting rights.</li> </ul>
Thresholds for Transactions of Small Amount	<ul style="list-style-type: none"> <li>• €250,000.00, in the case of transactions carried out with legal persons, entities and professional associations;</li> <li>• €100,000.00, in the case of transactions carried out with natural persons.</li> </ul>
Thresholds for Transactions of Lesser Importance	Transactions whose value is higher than that of Transactions of Smaller Amount but lower than that of Transactions of Greater Importance.
Thresholds/Ratio for Transactions of Greater Importance	Identified on the basis of the last Financial Statements, subject to annual review in accordance with the financial statements results approved by the General Shareholders' Meeting. The last update was made by the Board of Directors on 9 May 2023 based on the 2022 Financial Statements data.
Exclusions/Exemptions	<p>Resolutions regarding transactions authorised by Brembo S.p.A. and addressed to all shareholders on equal conditions, including:</p> <ul style="list-style-type: none"> <li>• capital increases with option rights, including those in service of convertible bonds, and free capital increases pursuant to Article 2442 of the Civil Code;</li> <li>• total or partial de-mergers, narrowly defined, with the proportional share assignment criterion;</li> <li>• reductions of share capital by redemption of shareholders pursuant to Article 2445 of the Civil Code and purchases of own shares pursuant to Article 132 of TUF.</li> </ul> <p>Resolutions concerning transactions relating to:</p> <ul style="list-style-type: none"> <li>• share-based remuneration plans approved by the General Shareholders' Meeting within the meaning of Article 114-bis of TUF, and related implementing transactions;</li> <li>• Board resolutions concerning the remuneration of Directors and Board members holding special office — other than resolutions passed pursuant to Article 2389 (Directors' Emoluments), paragraph 3, of the Civil Code — as well as other other Managers with Strategic Responsibilities, provided that:                     <ul style="list-style-type: none"> <li>– Brembo has adopted a remuneration policy approved by the Shareholders' Meeting;</li> <li>– the remuneration policy was informed by input and contributions from the Remuneration &amp; Appointments Committee made up exclusively of Non-executive Directors, the majority of whom are also Independent Directors;</li> <li>– the remuneration assigned is identified in accordance with that policy and quantified on the basis of criteria that do not entail discretionary assessments.</li> </ul> </li> </ul>

Exclusions/Exemptions	<ul style="list-style-type: none"> <li>• Transactions of Small Amount.</li> <li>• Regular Transactions (as per Consob's definition).</li> <li>• Intercompany Transactions, including exclusively intra-Group transactions or transactions with or among subsidiaries and associates which carry out activities — as per their respective company's objects — similar to those of Brembo S.p.A.</li> </ul>
Periodic reporting to the Related Party Transactions Committee (Audit, Risk & Sustainability Committee)	<p>Each quarter the Chief Administration &amp; Finance Officer informs the Audit, Risk &amp; Sustainability Committee (in joint session with the Board of Statutory Auditors), including to allow the Committee to perform the appropriate verifications, regarding the following Related Party Transactions excluded from application of the RPT Procedure:</p> <ul style="list-style-type: none"> <li>• Transactions of Small Amount;</li> <li>• Regular Transactions, regardless of whether they qualify as Transactions of Lesser or Greater Importance;</li> <li>• updates regarding Transactions of Lesser or Greater Importance for which the Committee has expressed a non-binding prior opinion.</li> </ul>

It should be noted that, regardless of the provisions of applicable laws and regulations, the Group companies implemented a local procedure that sets out the operating processes to identify their Related Parties and Related Party Transactions, as well as their approval procedures, consistently with the guidelines set forth by the procedure adopted by Brembo S.p.A.

In addition, the Company periodically requires local top managers (other than Directors and Statutory Auditors)

and/or those with the power to bind the Company in relations with third parties and/or who by virtue of their function/role are required to engage in relation with public offices, to report entities or persons related to them who might, even in the abstract, give rise to conflicts of interests between the Company's activities and personal and family economic activities, in order to prevent situations in which a conflict of interest may arise or that may interfere with the ability to make decisions impartially in the Company's best interest.

### 10.3. ACTIVITIES OF THE RELATED PARTY TRANSACTIONS COMMITTEE CARRIED OUT IN 2023

During the meetings held in 2023 (22 February, 5 May, 21 July and 27 October, duly minuted), the Audit, Risk & Sustainability Committee in its capacity as Related Parties Transactions Committee:

- was regularly updated regarding Brembo's List of Related Parties;
- received ongoing information on Related Party Transactions excluded from application of the RPT Procedure:
  - Transactions of Small Amount;
  - Regular Transactions, regardless of whether they qualify as Transactions of Lesser or Greater Importance;
  - updates regarding Transactions of Lesser or Greater Importance for which the Committee has expressed a non-binding prior opinion;
- was constantly updated on the progress made in 2023 with regard to the related party transaction of lesser importance regarding the lease of a building owned by Kilometro Rosso S.p.A. on which it had expressed a favourable opinion on 14 December 2022;
- moreover, at the meeting on 5 April 2023, examined and expressed a favourable opinion of the update of the Relevance Ratios for identifying Transactions of Greater Importance on the basis of the 2022 Financial Statements data and confirmed several distinct thresholds for identifying Transactions of Small Amount in relation to the counterparty's nature, in accordance with the provisions of Consob Resolution No. 21624 of 10 December 2020;
- on 11 December 2023, examined and expressed a favourable opinion of the draft framework resolutions for uniform series of transactions to be concluded with a single Related Party for 2024, pursuant to Article 4.9 of the RPT Procedure.

# 11. APPOINTMENT OF STATUTORY AUDITORS

## 11.1. APPOINTMENT AND REPLACEMENT OF STATUTORY AUDITORS

In accordance with the provisions of Article 22 of the By-laws:

Composition (Article 22 of the By-laws)	<ul style="list-style-type: none"> <li>The Board of Statutory Auditors of Brembo S.p.A. is made up of three (3) Acting Auditors and two (2) Alternate Auditors, all appointed by the General Shareholders' Meeting based on list voting procedures;</li> <li>the persons who do not comply with the requirements of eligibility, integrity, professionalism and independence, imposed under applicable regulations for such posts and by the Code of Conduct of Borsa Italiana, endorsed by the Company, cannot be appointed as Statutory Auditors (and if already appointed, are removed from office);</li> <li>the Acting Auditors shall be chosen from persons who qualify as independent under the provisions of the Corporate Governance Code;</li> <li>Auditors are appointed for a term of three years and are eligible for re-appointment; their remuneration is determined by the General Shareholders' Meeting.</li> </ul>
List voting (Article 22 of the By-laws)	<p>The lists for the appointment of Statutory Auditors:</p> <ul style="list-style-type: none"> <li>must include at least one (1) candidate for the office of Acting Auditor and, in any case, a number of candidates not exceeding the Statutory Auditors to be elected, progressively numbered; each person may be a candidate in one list only, under penalty of ineligibility;</li> <li>the lists containing a number of candidates equal to or greater than three (3), considering both sections, must include a number of candidates in the acting Statutory Auditors' section such as to ensure that the composition of the Board of Statutory Auditors, in respect of its acting members, complies with the laws and regulations on gender balance (men and women) from time to time in force, it being understood that where the application of the distribution criterion between genders results in a non integer number, this must be rounded in compliance with the laws — including regulatory — applicable from time to time and as specified in the notice of calling of the General Shareholders' Meeting called to resolve on the appointment of the members of the Board of Statutory Auditors. Moreover, all lists must be drawn up taking into account the diversity criteria specified in Brembo S.p.A.'s Corporate Governance Code.</li> </ul> <p>Lists may be submitted by any number of Shareholders who, on their own or together with other Shareholders, represent at least the minimum percentage of shares bearing voting rights at the ordinary General Shareholders' Meeting pursuant to applicable laws and Consob regulations, and at present equivalent to 1% of the share capital. In particular, each Shareholder holding voting rights may submit, directly or through third-party intermediaries or trust companies, only one (1) list of candidates, under penalty of inadmissibility of the list. A single list of candidates may also be submitted by:</p> <ol style="list-style-type: none"> <li>Shareholders belonging to a single group, where the latter term is understood to mean a party, which need not necessarily be a corporation, exercising control within the meaning of Article 2359 of the Civil Code, and all subsidiaries controlled by, or under the common control of, that same party;</li> <li>Shareholders who have entered into the same shareholders' agreement within the meaning of Article 122 of TUF;</li> <li>Shareholders who are otherwise associated with each other by virtue of associative relationships contemplated under the applicable statutory and regulatory framework.</li> </ol> <p>The lists of candidates, duly signed by the Shareholders submitting the same, or the Shareholder delegated to make the submission, together with all the other related documents as required under the By-laws, must be filed with the Company's registered offices at least 25 calendar days prior to the scheduled date of the General Shareholders' Meeting at first calling and public disclosure must be made both on the Company's website and at its registered offices, in the manner and form specified under statutory and regulatory provisions, at least 21 calendar days prior to the scheduled date of the General Shareholders' Meeting.</p> <p>Pursuant to Article 126 of TUF:</p> <ul style="list-style-type: none"> <li>the lists submitted are also valid for any callings of ordinary sessions of the General Shareholders' Meeting after the first, even if a new notice of calling is published;</li> <li>in such cases, Shareholders may submit new lists, and the terms provided for in Article 147-ter of TUF (25 days for submission and 21 days for public disclosure) are reduced to 15 and 10 days, respectively.</li> </ul>
Election (Article 22 of the By-laws)	<p>For the purposes of election of the Board of Statutory Auditors, the majority list elects two (2) Acting Auditors and one (1) Alternate Auditor; consequently, the first two (2) candidates for Acting Auditor and the first candidate for Alternate Auditor presented on that list are elected.</p> <p>The following are elected from the list with the second-highest number of votes, considering the sequential order in which the candidates are indicated on the list: (a) the first candidate for Acting Auditor, who will also be elected Chairman of the Board of Statutory Auditors, and (b) the first candidate for Alternate Auditor, where available, failing which, the first candidate for Alternate Auditor on the next list by number of votes will be elected to that position.</p>

With reference to the appointment of the new control body by the 2023 General Shareholders' Meeting, the outgoing Board of Statutory Auditors issued a report pursuant to provision Q.1.6 ("Remuneration") of the "Rules of conduct of the Boards of Statutory Auditors of listed companies", in

which it summarised the activity performed in the three-year period 2020-2022 to permit the outgoing BoD a better appreciation thereof for the purposes of formulation of the proposed remuneration of the Control Body to be appointed. As regards the remuneration established for the

Board of Statutory Auditors, it should be noted that there were no changes compared to what had been approved for the previous term of office, as it was deemed essentially adequate considering the activity performed by the Board

of Statutory Auditors over the three-year period, the methods of conduct of the proceedings, the support provided by the various company functions and participation in Board Committee meetings.

## 11.2. COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS

The General Shareholders' Meeting held on 20 April 2023 appointed the Board of Statutory Auditors 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, based on the two (2) lists submitted respectively by the majority Shareholder Nuova FourB S.r.l. and a group of Asset Management Companies and other institutional investors (holding 2.372% of the

share capital, overall).

Pursuant to Article 22 of the By-laws, the following Statutory Auditors were elected from the minority list:

- the first candidate for Acting Auditor, Fabrizio Di Giusto, who was appointed Chairman of the Board of Statutory Auditors pursuant to law and the Company's By-laws;
- the first candidate for Alternate Auditor.

### BOARD OF STATUTORY AUDITORS – COMPOSITION AT 31 DECEMBER 2023

BOARD OF STATUTORY AUDITORS 2023											
OFFICE HELD	NAME AND SURNAME	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT (*)	IN OFFICE FROM	IN OFFICE UNTIL	LIST (**)	INDEP. AS PER CODE	WEIGHT OF OTHER OFFICES HELD (***)	ATTENDANCE TO BOARD OF STATUTORY AUDITORS' MEETINGS IN 2023 (****)	ATTENDANCE TO BOARD OF DIRECTORS' MEETINGS IN 2023 (****)	ATTENDANCE TO THE SHAREHOLDERS' MEETINGS (****)
<b>Acting Auditors</b>											
Chairman	Fabrizio Riccardo Di Giusto	1966	20.04.2023	20.04.2023	approval of FS at 31.12.2025	Mi	X	1.2	100%	100%	100%
Acting Auditor	Mario Tagliaferri	1961	20.04.2017	20.04.2023	approval of FS at 31.12.2025	Ma	X	5.6	93.75%	100%	100%
Acting Auditor	Stefania Serina	1984	29.04.2022	20.04.2023	approval of FS at 31.12.2025	Ma	X	2	100%	100%	100%
<b>Alternate Auditors</b>											
Alternate Auditor	Alessandra Vaiani	1970	20.04.2023	20.04.2023	approval of FS at 31.12.2025	Ma	X	-	-	-	-
Alternate Auditor	Giulia Pusterla	1960	20.04.2023	20.04.2023	approval of FS at 31.12.2025	Mi	X	-	-	-	-
No. of meetings held during the year of reference (2023)									Board of Statutory Auditors: 16	Board of Directors: 10	Shareholders' Meeting: 2
<b>Statutory Auditors who left office in 2023</b>											
Chairwoman	Raffaella Pagani	1971	29.04.2014	23.04.2020	approval of FS at 31.12.2022	Mi	X	4.92	100%	50%	100%

(\*) The date of first appointment of each Auditor refers to the date on which the said Auditor was appointed for the first time (ever) as member of Brembo S.p.A.'s Board of Statutory Auditors.

(\*\*) This column shows the list from which each Auditor was elected ("Ma": majority list; "Mi": minority list, submitted by a group of shareholders representing 2.37211% of share capital).

(\*\*\*) This column shows the number of other Directorships or Auditorships held by the Auditor within the meaning of Article 148-bis of TUF and relevant implementing provisions set forth in Consob Issuers' Regulation, in addition to the weight calculated on the basis of Article 144-duodecies of this Regulation. The full list of Directorships and Auditorships held is published on the Consob website pursuant to Article 144-quinquiesdecies of the Consob Issuers' Regulation.

(\*\*\*\*) This column shows the percentage of the Board of Statutory Auditors' and Board of Directors' meetings, as well as Shareholders' Meetings attended by Statutory Auditors in 2023 (No. of meetings attended/No. of meetings held during the Auditor's actual term of office); preparatory meetings and induction sessions are not included.

## PROFESSIONAL PROFILE OF THE STATUTORY AUDITORS

The following is a profile of the Chairman of the Board of Statutory Auditors and the Acting Auditors.

### FABRIZIO RICCARDO DI GIUSTO

#### Chairman

Fabrizio Riccardo Di Giusto was born in 1966.

He graduated from La Sapienza University of Rome, Economics and Business Department, in 1994. He has been registered with the Certified Public Accountants Register of Rome since 1996 and with the Auditors Register since 1999. He started his career working mainly in the corporate and tax law fields. In 2002, he opened his own law firm in Rome, which mainly provides advice in business economics, trade, tax, administrative and financial matters to Italian and international companies and groups. He has gained specific expertise in preparing financial statements, business plans, company valuations and accounting and legal audits. He is an expert in corporate governance and held, and still holds positions as statutory auditor of listed and unlisted companies as Chairman and Acting Auditor.

### MARIO TAGLIAFERRI

#### Acting Auditor

Born in Milan on 9 October 1961, he graduated in Economics and Business (Professional degree programme) from the State University of Bergamo in 1987.

He is registered with the Cremona Accountants Association, the Register of Technical Advisors to the Judges of the Civil and Criminal Court of Cremona and the Register of Auditors. He was President of the Crema Certified Accountants and Auditors Association for eleven years and has been coordinator of the Certified Accountants and Auditors Association of the Lombardy Region.

He is a published author on taxation and corporate affairs. He is a founding partner of the firm LEXIS – Dottori Commercialisti Associati and practices at its Crema and Milan offices, primarily providing tax and corporate consultancy to SMEs and large enterprises, with a particular focus on corporate and business reorganisation through mergers and acquisitions.

He currently holds the position of Chairman of the Board of Statutory Auditors of Alto Robotics S.p.A., Consorzio.it S.p.A., Kilometro Rosso S.p.A., Nerviano Medical Sciences S.r.l., Nepharm S.r.l., Crema Diesel S.p.A., and serves as Acting Auditor in Brembo S.p.A., Interpump Group S.p.A., Brembo SGL CarbonCeramic Brakes S.p.A., Fine Foods Pharmaceutical N.T.M. S.p.A., Euro Cosmetic S.p.A., Marsilli S.p.A., Fondazione Ferrovie dello Stato, Accelera S.r.l., and Simis S.r.l.

### STEFANIA SERINA

#### Acting Auditor

Born in Crema on 10 November 1984, she graduated in Business Economics and Company Management from the University of Bergamo in 2010.

She is registered with the Cremona Certified Accountants and Auditors Association and with the Register of Auditors, and currently serves as Vice President of the Union of Young Certified Public Accountants of Milan.

She is a partner of the firm LEXIS – Dottori Commercialisti Associati and practices at its Crema and Milan offices, primarily providing tax and corporate consultancy to SMEs and large enterprises, in addition to being specialised in tax litigation and ESG matters (Sustainability Reports).

Currently, she serves as Chairwoman of the Board of Statutory Auditors of Eurosyn S.p.A., as Acting Auditor at Index S.p.A., Dollmar S.p.A., Sipral Padana S.p.A., Mafflon S.p.A., Sika Engineering Silicones S.r.l., Sika Italia S.p.A. and as sole Auditor of the Fondazione Libellula Impresa Sociale.

In accordance with the provisions of the 2020 CGC, the Board of Statutory Auditors assesses the independence of its members at the first appropriate meeting following their appointment, as well as on an annual basis during preparation of this Report. With reference to the definition of the independence requirement of Statutory Auditors, the Board has adopted the same criteria as those defined in the Brembo CGC for Directors. The results of the checks are submitted to the Board of Directors, which discloses the same, following the appointment of the members of the Board of Statutory Auditors, through a press release disseminated to the market and thereafter within this Report.

Satisfaction of these requirements was verified most recently upon appointment and subsequently during the meeting held on 31 January 2024, when the respective statements issued by the Statutory Auditors were analysed and assessed, and it was confirmed that all members of the Board of Statutory Auditors satisfy the integrity, professionalism and independence requirements laid down by the law and the Brembo CGC, which has endorsed the independence requirements set forth in the 2020 CGC.

With regard to the maximum number of positions held at other companies, the Company assessed the Statutory Auditors' compliance both upon their appointment by the General Shareholders' Meeting and, subsequently, on the basis of the statements of each member of the Board of Statutory Auditors issued pursuant to Annex 5-bis to the Issuers' Regulation. The outcome of the checks for the year 2023 is given in the table on page 71.

### 11.3. BOARD OF STATUTORY AUDITORS' DIVERSITY POLICIES AND CRITERIA AND ENSUING APPLICATION

In view of the appointment of the new corporate bodies for the 2023-2025 three-year period, the outgoing Board of Directors, in its illustrative report to the Shareholders' Meeting for the appointment of new corporate boards, cited the criteria indicated in the Brembo CGC as guidelines useful to the Shareholders in nominating candidates for the ap-

pointment of the new Board of Statutory Auditors. In addition to ensuring compliance with applicable laws and regulations, these criteria aim to guarantee diversity among its members, not only in terms of gender, but also of the high quality complementary nature of professional and personal profiles within the Board of Statutory Auditors.

#### ADDITIONAL DIVERSITY POLICIES AND CRITERIA FOR THE COMPOSITION OF THE BOARD OF STATUTORY AUDITORS (Article 2 of Brembo's Corporate Governance Code)

##### (ARTICLE 2 - COMPOSITION OF THE CORPORATE BODIES)

##### APPLICATION RULE 9, WHICH REFERS TO THE PROVISIONS OF APPLICATION RULE 8 OF THE BREMBO CORPORATE GOVERNANCE CODE

	The following circumstances compromise, or appear to compromise, the independence of a director:
	a) whether he or she is a significant shareholder in Brembo S.p.A.;
	b) whether he or she is, or has been in the previous three (3) fiscal years, an Executive Director or an employee: <ul style="list-style-type: none"> <li>- of Brembo S.p.A, one of its strategically important subsidiary or a company under common control;</li> <li>- of a significant shareholder in the Company;</li> </ul>
	c) whether, directly or indirectly (e.g., through subsidiaries of which he or she is an executive director, or as a partner in a professional firm or consulting firm) he or she has, or has had in the previous fiscal year, a significant commercial or financial relationship with: <ul style="list-style-type: none"> <li>- Brembo S.p.A., one of its subsidiaries, or its Executive Directors or top management;</li> <li>- a person who, including together with others through a shareholders' agreement, controls Brembo S.p.A. or, if the parent is a company or entity, with its Executive Directors or top management;</li> </ul> exceeding: <ul style="list-style-type: none"> <li>- 5% of turnover, in the case of a small- or medium-sized legal entity, supplier or beneficiary; or</li> <li>- 2% of turnover, in the case of a large-sized legal entity, supplier or beneficiary;</li> </ul> (i.e., a "significant relationship of a commercial or financial nature");
Independence	d) whether, directly or indirectly (e.g., through subsidiaries of which he or she is an executive director, or as a partner in a professional firm or consulting firm) he or she provides, or has provided in the previous fiscal year, professional services exceeding 5% of his or her income or € 250,000 for professional services in favour of: <ul style="list-style-type: none"> <li>- Brembo S.p.A., one of its subsidiary, or any of its Executive Directors or top managers;</li> <li>- a person who, including together with others through a shareholders' agreement, controls Brembo S.p.A. or, if the parent is a company or entity, with its Executive Directors or top management;</li> </ul> (i.e., a "significant professional relationship");
	e) whether he or she receives, or has received in the previous three (3) fiscal years, from Brembo S.p.A., one of its subsidiaries, or the parent company, significant additional remuneration (over and above the "fixed" remuneration for the office of Non-executive Director of Brembo S.p.A. and the remuneration provided for participation in the committees recommended by the Code), including as part of incentive plans, including share-based, linked to company performance;
	f) if he or she has been a Director of the company for more than nine (9) fiscal years, including non-consecutive fiscal years, in the last twelve (12) fiscal years;
	g) if he or she holds the position of executive director in another company in which an Executive Director of the Company holds a directorship;
	h) if he or she is a partner or director of a company or entity belonging to the network of the company's auditing firm;
	i) if he or she is a close family member of a person who is in one of the situations mentioned in the previous points.

##### ADDITIONAL DIVERSITY CRITERIA FOR THE COMPOSITION OF THE BOARD OF STATUTORY AUDITORS (ARTICLE 2 - COMPOSITION OF THE CORPORATE BODIES)

Gender	Quota reserved to the less represented gender determined in accordance with applicable laws and regulations.
Hard skills	<ul style="list-style-type: none"> <li>• Record of honouring shared ethical principles<sup>36</sup>.</li> <li>• Overall experience of at least three years in professional or academic endeavours closely related to the Company's business.</li> <li>• Governance or control activities or executive or managerial duties in listed or medium-large enterprises in closely related sectors and of the size of Brembo for a suitable period.</li> <li>• Knowledge of business mechanisms, strategies, risk assessment and management techniques.</li> <li>• Understanding of the dynamics of the global financial system.</li> </ul>
Soft skills	<ul style="list-style-type: none"> <li>• Sufficient time commitment in view of the complexity of the assignment.</li> <li>• Full understanding of the powers and obligations inherent in the position and the functions to be performed.</li> <li>• Collaboration, involvement and ability to influence (knowing how to instil and contribute to professionalism and the development of opinions and taking a part in resolving conflicts).</li> </ul>

<sup>36</sup> See the Brembo Code of Ethics on the Company's website ([www.brembo.com](http://www.brembo.com), section Company, Corporate Governance, Codes & Policies).

It is understood that, with regard to conflict of interest issues, the principle indicated in paragraph 10.1 (related parties) also applies to Statutory Auditors.

In the self-assessment of the Board of Statutory Auditors, as reported to the Board of Directors during the meeting held on 5 March 2024, it was found that:

- all Statutory Auditors meet the qualitative and quantitative Additional Criteria set out in Article 2 of the Brembo CGC;
- at least one third of its members consists of the less-represented gender;
- from a qualitative perspective, the control body is composed of individuals who are deemed to possess adequate professional characteristics, with varied, diversified skills and strong experience in the Company's

sector of operation, are aware of their powers and obligations and capable of devoting time and resources adequate to the complexity of their positions, and who orient their actions to the pursuit of the Company's overall interest;

- as far as professional refresher training are concerned, members of the control body attend conventions and training courses, some organised by the relevant professional associations, including in accordance with provisions on ongoing professional training;
- the adequacy of appointment processes and selection criteria are governed by the By-laws and the Regulations for Shareholders' Meetings adopted by the Company, clearly and transparently, avoiding references to or citations of agreements, organisations or entities external to the Company.

---

#### 11.4. BOARD OF STATUTORY AUDITORS' DUTIES AND ACTIVITIES

The Board of Statutory Auditors discharges the supervisory duties entrusted to it under applicable laws and regulations and supervises compliance with the law and By-laws, observance of the principles of sound management and, in particular, the adequacy and the actual functioning of the organisational, administrative and accounting structures adopted by the Company, as well as the methods for concretely implementing the corporate governance rules set forth in applicable laws. The Board of Statutory Auditors also monitors the independence of the Independent Auditors<sup>37</sup>.

The Board of Statutory Auditors has been identified as "Internal Control & Audit Committee" pursuant to Legislative Decree No. 39/2010 (as amended by Legislative Decree No.

135/2016), which assigns functions of supervision of the financial reporting process, the efficacy of internal control systems, internal auditing and risk management, the statutory auditing of the annual and consolidated accounts and the independence of the statutory auditors.

As part of its activities, the Board of Statutory Auditors may call upon the Internal Audit function to audit specific operating areas or company transactions.

In addition, the Board of Statutory Auditors reports to the General Shareholders' Meeting on its supervisory activities through a specific Report, drawn up pursuant to Article 153 of TUF and disclosed in conjunction with the Annual Financial Report.

---

#### 11.5. ACTIVITIES CARRIED OUT IN 2023

In 2023, the Board of Statutory Auditors:

- performed sixteen (16) assessment meetings (lasting about three/four hours on average) and attended all the General Shareholders' Meetings and the meetings of the Board of Directors (ten (10) Board of Directors' meetings and two (2) General Shareholders' Meeting); in addition, directly or in the person of its Chairman, it attended the meetings of the Audit, Risk & Sustain-

ability Committee (eleven (11) meetings) and of the Remuneration & Appointments Committee (three (3) meetings);

- participated in the Basic Induction programme and in the follow-ups organised by the Company during Board meetings as a way of induction for Directors and Statutory Auditors (further details are provided in paragraph 4.6);

<sup>37</sup> As required pursuant to Article 2409-bis of the Civil Code, auditing of the Company's accounts has been entrusted to Independent Auditors, subject to auditing activities regulations set forth for listed companies, as well as to Consob's supervisory activity.

- in most cases, held its meetings on the same day as the Audit, Risk & Sustainability Committee and the Supervisory Committee, with a section dedicated to joint discussion of areas of common interest in order to facilitate the exchange of information between parties with significant tasks in the field of internal controls;
- constantly received from Directors exhaustive and detailed information on business performance and outlook, operations carried out and the most significant economic, financial and equity transactions performed by the Parent or its subsidiaries, as well as the status of activities and strategic projects underway;
- attended all the meetings of the Audit, Risk & Sustainability Committee and, through its Chairman, the meetings of the Remuneration & Appointments Committee;
- was informed of the main points of attention identified by the Independent Auditors during their activity on site (that did not reveal significant deficiencies in the internal control system), in addition to the activities carried out in accordance with Law 262/05 (and its extension to Group companies);
- supervised the process of awarding contracts to Independent Auditors for services other than independent auditing on the basis of periodic reports aimed to monitor the ratio of auditing fees to fees for other services for the purpose of continuing satisfaction of the independence requirement and so as to maintain an appropriate balance, in accordance with applicable laws and regulations in force;
- received the necessary operational support from the Chief Internal Audit Officer for the execution of its checks, obtained all the Audit Reports and examined the Annual Audit Plan;
- was periodically informed, during Board meetings, on the implementation of the Shareholder Engagement Policy;
- was informed of the particularly significant transactions, pursuant to the Related Party Transactions Procedure, carried out by the Company and its Subsidiaries in 2023;
- was constantly updated by the Chief Administration and Finance Officer and the Group's Tax Manager on tax issues, as well as on the status of implementation of the "Tax Control Framework" at Group level;
- was constantly updated on the Cross-Border Conversion process executed by the Company, in accordance with the resolution passed by the Shareholders' Meeting of 27 July 2023. In this regard, it was also informed of the withdrawal, option and pre-emption processes, the share capital decrease and the rules governing shares subject to withdrawal;
- was constantly updated on the situation relating to requests/accrual of increased voting rights, as well as the respective change in voting rights;
- was informed of the launch and purchases undertaken by the Company of own shares, carried out in accordance with the resolution of the Shareholders' Meeting of 20 April 2023;
- analysed the calculation criteria used for the purposes of the impairment test;
- was regularly informed of the progress of the Ishango Project (aimed at digitalising the various corporate processes) and of ICT risks (cybersecurity);
- met with the DPO in order to be informed of the process of monitoring the system implemented by Brembo S.p.A. and the Group's European companies in accordance with Regulation (EU) No. 2016/679 on the protection of personal data (GDPR) and received a copy of the DPO's Annual Report to the Board;
- periodically met with the Chairmen of the Board of Statutory Auditors of the other Group Companies.

The Board of Statutory Auditors also constantly verified, through the Chief Administration & Financial Officer's reports, Brembo's administrative and accounting structure and in particular the adequacy of the personnel in charge thereof, their tasks and responsibilities and the control measures put in place in accordance with the Crisis Code.

With the aim of further analysing specific risks and monitoring the improvement plans launched by management, it conducted in-depth analyses on specific issues, meeting directly with the Head of Risk Management and the Company's top managers, on the main risks and the related impacts inherent in the nature of Brembo's business.

In addition, the Board of Statutory Auditors oversaw the implementation of the new whistleblowing platform in accordance with Legislative Decree No. 24/2023 transposing Directive (EU) 1937/2019 on whistleblowing. It also supervised the preparation and adoption of the New Whistleblowing Procedure and the ensuing updating of the General Section of the 231 Model.

With reference to the Disclosure of Non-Financial Information pursuant to Legislative Decree No. 254/2016, the Board of Statutory Auditors was regularly informed by the Chief CSR Officer of the materiality analysis process carried out by the Company to define areas of non-financial information of a social and environmental nature deemed relevant to the Group for the purposes of preparing, collecting and validating data at a global level in order to prepare the Disclosure of Non-Financial Information pursuant to Legislative Decree No. 254/2016, also meeting with the Independ-

ent Auditors tasked with assurance activities on the said document.

For further information on the activities performed by the

Board of Statutory Auditors, reference should be made to the Statutory Auditors' Report included in the 2023 Annual Financial Report.

---

#### **11.6. SELF-ASSESSMENT PROCESS OF THE BOARD OF STATUTORY AUDITORS CARRIED OUT IN 2023**

As of 2018, the Board of Statutory Auditors performs a self-assessment on its own composition and functioning also in accordance with the "Rules of conduct of the Boards of Statutory Auditors of listed companies" drawn up by Italy's National Council of Chartered Accountants and Accounting Experts, provision Q.1.7. of December 2023.

In 2023 as well, the Board of Statutory Auditors made the said self-assessment. The activity was carried out through a questionnaire submitted to each of the acting auditors to collect the information necessary and appropriate for the purpose of the self-assessment. For the preparation of the questionnaire and the overall self-assessment performed, the Board of Statutory Auditors decided not to avail itself of external consultants; in the case of the questionnaire only,

the Board of Statutory Auditors agreed on its finalisation with the Company's legal function and corporate secretariat. The analysis and assessment of the results and the related discussions were conducted within the framework of a specific meeting of the Board of Statutory Auditors held on 31 January 2024 and duly recorded in the minutes, and were submitted in the form of a written Report to the Board of Directors, which acknowledged it during the meeting held on 5 March 2024. The Board of Statutory Auditors of Brembo concluded that it had not identified deficiencies relating to the fitness of its members or the adequate composition and functioning of the Board. In particular, it found that constant attention was devoted to progressively improving its activities in accordance with the Company's increasing size and complexity.

## 12. RELATIONS WITH SHAREHOLDERS – BREMBO SHAREHOLDER ENGAGEMENT POLICY

Brembo takes special care in monitoring relations with shareholders, institutional and private investors, financial analysts, and the financial community, scrupulously respecting mutual roles.

In accordance with the recommendations of the 2020 CGC, to which Brembo adheres, the Brembo Shareholder Engagement Policy was prepared and approved by the Board of Directors on 17 December 2021, following a process of circulation to the Independent Directors, members of the Audit, Risk & Sustainability Committee and Board of Statutory Auditors.

This Policy governs the relations, responsibilities and procedures for engaging in dialogue between the Company and its current and/or potential Shareholders and/or Investors, or with their representatives and advisors for voting matters. Dialogue may be initiated at the request of the current and/or potential Shareholders and/or Investors, or at the initiative of the Company, and is implemented, in the interest and on the behalf of the Company, solely by the parties identified in this Policy.

It also identifies the themes and methods of implementing dialogue between the Company and all Shareholders, drawing inspiration from the principles of propriety, transparency and symmetry of information, in accordance with EU and Italian legislation on market abuse. The full version of the Policy is available on the Company's website<sup>38</sup>.

Brembo provides the Shareholders and/or Investors with information regarding its activities, strategies and performance, in the manner set out in the Policy. Particular attention is devoted to information regarding environmental, social and governance (ESG) matters, since they are deemed relevant to constructing a company identity of sustainability integrated into the business and designed to create present and future value.

Dialogue thus revolves around the matters within the purview of the Board of Directors and Board Committees, including, in particular: corporate governance (e.g., appointments and composition of the Board of Directors, information regarding the size, competencies, professionalism, independence and diversity of the members of the Board of Directors and Board Committees, etc.), sustainability, company strategies, operating and financial outlook

and performance, management remuneration policies, dividend policies, Internal Control and Risk Management System and all other topics that may enable better understanding of the activities performed by Brembo, useful in supporting investment decisions.

On 17 December 2021, the Board of Directors granted general delegated powers to the Executive Chairman for operational management of all processes of engagement and dialogue with the current and/or potential Shareholders and/or Investors, ensuring that such processes are always performed in the Company's interest and in accordance with the laws, regulations, the Policy and internal rules. Within the framework of this delegated authority, the Executive Chairman is supported by the Head of Investor Relations and coordinates, where necessary or appropriate, with the CEO, the Secretary of the BoD and the Chief Communication Officer, according to their respective attributes.

All Investors' requests may be sent to Brembo via the following channels: e-mail address [ir@brembo.it](mailto:ir@brembo.it) and phone +39 035 6052145.

Company-specific information that could be relevant to Shareholders is published on Brembo's website ([www.brembo.com](http://www.brembo.com), section Investors) so as to provide them with the data required to make informed voting decisions.

For the disclosure and filing of regulated information, Brembo S.p.A. has availed of the Consob-authorized system 1INFO ([www.1info.it](http://www.1info.it)), managed by Computershare S.p.A.

### Activities carried out in 2023

In 2023, interactions with current and/or potential Investors and Shareholders took place both in virtual mode, through video-meetings or conference calls, and at face-to-face meetings.

Meetings were held with international and Italian institutional investors, in one-to-one sessions or small groups. The topics discussed during such sessions included, for instance, the Company's business model and long-term strategy (also in light of the announcement of the Cross-Border Conversion), the performance of the main markets of reference, ESG matters, analysis of the main competitors, in-depth information on new products and market trends,

<sup>38</sup> [www.brembo.com](http://www.brembo.com), section Company, Corporate Governance, Governance Documents.

analysis of published operating and financial performance results, comments on the effects of geopolitical impacts, increased commodity and energy prices, and inflation both on the sector and the Company.

In 2023, the Company presented the Group's operating and financial results to the financial analysts that follow the Company in the course of 4 conference calls: Annual Financial Report 2022 on 2 March 2023, First Quarter Report 2023 on 9 May 2023, Six-Monthly Report 2023 on 27 July 2023 and Third Quarter Report 2023 on 7 November 2023. Conference calls, which were attended by the Executive Chairman, the Chief Executive Officer (CEO), the Chief Administration & Finance Officer and the Head of Investor Relations, were held in English and their transcription was

made available on the Company's website ([www.brembo.com](http://www.brembo.com), section Investors).

In accordance with the provisions of the Brembo Shareholder Engagement Policy, in 2023 the Executive Chairman (with the support of the Head of Investor Relations and the BoD's Secretary) periodically reported to the Board of Directors and the Board of Statutory Auditors on the development and content of the dialogue and discussions with the current and/or potential Shareholders and/or Investors of the Company. These activities were carried out during the following meetings: 2 March 2023, 9 May 2023, 27 July 2023 and 7 November 2023. Moreover, at the date of publication of this Report, the BoD was updated also during the meeting of 5 March 2024.

# 13. GENERAL SHAREHOLDERS' MEETINGS

The By-laws govern the calling and conduct of the General Shareholders' Meetings as illustrated here below.

Calling of General Shareholders' Meetings	<p>Under Article 10, the By-laws establish that the General Shareholders' Meeting shall be called by the Board of Directors by notice of calling containing an indication of the date, time and venue of the scheduled meeting, the items placed on the agenda, as well as further information required by applicable laws and regulations. The notice of calling shall be published on the Company's website and in compliance with and within the terms set forth by laws and regulations in force at that time.</p> <p>The Ordinary General Shareholders' Meeting must be called by the Governing Body at least once a year within 120 days following the end of the Company's financial year, or within 180 days from such date in the case where the Company is required to draw up Consolidated Financial Statements, or where warranted by specific reasons pertaining to the Company's corporate purpose and structure, such reasons being indicated in the Directors' Report on Operations as per Article 2428 of the Civil Code.</p>
Addition of items to the Agenda and submission of New Motions	<p>Article 10-<i>bis</i> establishes that Shareholders individually or collectively representing at least one fortieth of share capital may submit a written application, according to the terms and conditions set forth in applicable laws and regulations, to add items to the Agenda for the General Shareholders' Meeting, indicating the proposed additional items in the application, or to submit motions on items already on the agenda.</p>
Increased voting rights	<p>The Company's share capital of €3,339,222.50 is represented by 333,922,250 ordinary shares with no nominal value. At the date of publication of this Report, the Company holds 15,051,860 own shares, representing 4.51% of share capital. The voting rights associated with these shares have been suspended pursuant to Article 2357-<i>ter</i>, paragraph 2, of the Civil Code.</p> <p>Each ordinary share entitles the owner to one (1) vote in Ordinary and Extraordinary Shareholders' Meetings (excluding own shares, for which voting rights are suspended by law). Pursuant to Article 127-<i>quinquies</i> of TUF and Article 6 of the By-laws (following an amendment approved by the Shareholders' Meeting of 18 April 2019) however, two (2) votes are attributed for each share belonging to the same shareholder for a continuous period of at least twenty-four months from the date of registration in the special list for this purpose specifically established, kept and updated by the Company, as required by the By-laws (the so-called "increased voting right"). The number of shares which entitles to an increased voting right is available on the Company's website at <a href="http://www.brembo.com">www.brembo.com</a> (section Investors, For Shareholders, Increased Voting Right).</p>
Right to pose questions prior to the General Shareholders' Meeting	<p>Pursuant to Article 10-<i>ter</i> of the By-laws, those entitled to vote during General Shareholders' Meetings may pose questions regarding the items on the Agenda even before the General Shareholders' Meeting, in accordance with the procedures and terms set in the Notice of Calling.</p>
Participation in and representation at the General Shareholders' Meeting	<p>Pursuant to Article 11 of the By-laws, partially amended by the Extraordinary Shareholders' Meeting on 21 April 2016, the vote holders may participate in the meeting and cast their votes provided that the Company has received an appropriate notice certifying their standing, issued by the intermediary participating in the centralised financial instrument management system, by the third trading day prior to the date for which the General Shareholders' Meeting is scheduled (or within other term as provided for under applicable law). Any party entitled to participate in a Shareholders' Meeting may be represented by another person, not required to be a shareholder, through proxy granted pursuant to the procedures prescribed by applicable laws and regulations and indicated in the Notice of Calling. Proxies may be also granted electronically and notified to the Company by e-mail sent to the certified e-mail address specified in the Notice of Calling. Proxies may be issued only for a specific General Shareholders' Meeting and shall be valid even for subsequent callings of such General Shareholders' Meeting, pursuant to applicable statutory provisions. The Chairman of the General Shareholders' Meeting shall declare the validity of proxies, and in general, the right to participate in the Meeting.</p>
Quora and resolutions of the General Shareholders' Meeting	<p>Pursuant to Article 13 of the By-laws, also amended by the Extraordinary Shareholders' Meeting on 21 April 2016, Ordinary and Extraordinary Shareholders' Meetings are normally held following a single calling. The quorum requirements for constituting a session and passing resolutions set out in applicable current provisions of law shall apply to this end. However, should the Board of Directors deem it appropriate, it may decide that the Ordinary or Extraordinary Shareholders' Meeting be held following multiple callings, expressly specifying this information in the Notice of Calling. The Ordinary and Extraordinary Shareholders' Meeting at first, second or third calling shall be validly constituted and pass resolutions with majorities established under law applicable case by case.</p>
Documentation of General Shareholders' Meetings	<p>All documentation related to General Shareholders' Meetings, including reports focusing on the items placed on the Agenda and motions raised in respect of the said items, is made available for public consultation at the Company's registered office and on the corporate website, as well as through the authorised data storage system (<a href="http://www.1info.it">www.1info.it</a>), within the terms established by current applicable regulations. During the Meeting, Shareholders are provided with the work files of the meeting proceedings (including the relevant Board of Directors' recommendations, as disclosed to the public in accordance with laws and regulations in force) and the Annual Financial Report. As a general rule, attending Shareholders are provided with the Group's economic and financial highlights and market performance, as well as analyses about trends in the markets in which the Group operates, the state of completion of main investment projects and the business outlook.</p> <p>The General Shareholders' Meeting Regulation, designed to regulate the proper and efficient functioning of the General Shareholders' Meetings (most recently updated on 29 April 2011), is available on the website: <a href="http://www.brembo.com">www.brembo.com</a>, section Investors, For Shareholders, Shareholders' Meeting.</p>

In 2023, the Company convened two Shareholders' Meetings, on 20 April and on 27 July. In both cases, the Company decided to exercise the option afforded by Article 106, paragraph 4, of Law Decree No. 18 of 17 March 2020 (converted into Law No. 27 of 24 April 2020, amended by Decree Law No. 228 of 30 December 2021, in turn converted, through amendments, by Law No. 15 of 25 February 2022 and most recently amended by Law No. 14 of 24 February 2023) regarding the procedure for holding general meetings of listed companies, and to require that shareholders' attendance of and exercise of the voting rights at General Shareholders' Meeting take place solely through the designated representative, pursuant to Article 135 *undecies* of TUF, i.e., Computershare S.p.A. (the "Designated Representative"), with shareholders or their proxy representatives other than the aforementioned Designated Representative prohibited from accessing the location of the general meeting. All those entitled to attend the Shareholders' Meeting were

able to grant proxies, free of charge, with any voting instructions, to the Designated Representative, by completing and signing a specific form, made available on the website [www.brembo.com](http://www.brembo.com) in the section Investors, For Shareholders, Shareholders' Meeting or from the Company's office. In addition, the Designated Representative could also be granted proxy or sub-proxy pursuant to Article 135-*novies* of TUF, by way of derogation from Article 135-*undecies*, paragraph 4, of that same Decree.

The notice of calling for the General Shareholders' Meeting, convened on 23 April 2024, is available on the Company's website [www.brembo.com](http://www.brembo.com), section Investors, For Shareholders, Shareholders' Meeting, 2024, from the authorised storage system ([www.1info.it](http://www.1info.it)), and has been published, in excerpt form, in the daily newspaper *Il Sole24Ore* on 23 March 2024.

# 14. FURTHER CORPORATE GOVERNANCE INITIATIVES (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2(A), OF TUF)

## 14.1. INTRODUCTION OF THE ROLE OF CHAIRMAN EMERITUS AND SETTING UP OF THE STRATEGIC STEERING COMMITTEE

In implementation of the corporate governance structure approved by the General Shareholders' Meeting of 17 December 2021, Alberto Bombassei, who had already served as Chairman and member of the Board of Directors of the Company, was appointed Chairman Emeritus pursuant to Article 17-bis of the By-laws.

Pursuant to Article 17-bis, the Chairman Emeritus has been given advisory and propositional functions in respect of the Board of Directors, determined by the Board itself and relating to the most relevant, crucial aspects to Brembo and the Group, such as the definition of strategies and the determination of actions aimed at the growth of the Company and the Group, the implementation of extraordinary transactions, the development of new products and/or the identification of new markets.

The BoD also tasked him with representing the Company at events relating to cultural, scientific and charitable activities and at institutional meetings with public and private entities and resolved, with a favourable opinion from the Audit, Risk & Sustainability Committee, in its capacity as Related Party Transactions Committee, on remuneration of €500,000.00, which also takes account of his role as Coordinator of the Strategic Steering Committee.

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

Moreover, pursuant to the provisions of Article 17-bis, the Board of Directors appointed a Strategic Steering Committee tasked with advising the Board of Directors in the matters indicated above, through the definition of non-binding recommendations and opinions. The Chairman Emeritus is a member of this Committee and serves as Coordinator.

### ALBERTO BOMBASSEI

#### Chairman Emeritus

Founder and Chairman Emeritus of the Company, of which he was Chairman of the Board of Directors from 1993 to 2021.

He is also Founder and Chairman of the Kilometro Rosso Scientific and Technological Park.

President of FROM – Bergamo Hospital Research Foundation.

Since 2020, he has been a member of Confindustria Executive Board.

He has been member of the Board of Directors of ISPI — Institute for International Political Studies since 2016.

He has been sitting on the Executive Board of Assonime, an association of Italian joint-stock companies, since 2017.

Vice-President and member of the Executive Committee of Aspen Institute Italy since 2018.

Brembo's active member of the Leonardo Committee.

Member of the Board of Directors of MADE – Competence Center Industry 4.0 since 2019.

President of the Italy-China Foundation (2018-2020).

Member of the Chamber of Deputies and the X Production Activities Committee (2013-2018).

Vice President of Confindustria in charge of Industrial Relations (2004-2012).

President of Federmeccanica (2001-2004).

Over the years, he received several awards and honours, including: "Parete" Award (2021); "Barsanti and Matteucci" Award (2021); "Gianni Mazzocchi" Award (2021); "Casco d'oro" (2019); "Capo d'Orlando" Award for section "Science and Industry" (2019); "Leonardo" Award (2017) bestowed on him by Italian President Mattarella; "Automotive Hall of Fame" Award (2017); title of Commander of the Order of Isabel the Catholic (2014) bestowed on him by Spain's Ambassador to Italy; the Ernst & Young Prize as "Entrepreneur of the Year" (2012); "Tiepolo 2012" Award; title of "Cavaliere del Lavoro" (2004) bestowed on him by Italian President Ciampi; Leonardo "Qualità Italia" Award (2003), the "Rome Award for the development of the country" (2023).

# 15. CHANGES AFTER 31 DECEMBER 2023

With regard to the Cross-Border Conversion of the Company approved by the Extraordinary Shareholders' Meeting of Brembo held on 27 July 2023, as announced in the press release dated 12 January 2024, the Company proceeded with the Share Capital Decrease, from €34,727,914.00 to €3,339,222.50, instrumental to the Transaction, as the disbursement amount condition, upon which the completion of the Transaction was conditional, had been met.

The Share Capital Decrease was executed without cancellation of shares and without any reimbursement of capital to shareholders, through recognition to the Company's equity of a reserve of an equal amount. Therefore, this decrease had no impact on Brembo shareholders' capital and administrative rights.

Following this:

- the notarial deed of conversion, also amending the Articles of Association, drafted pursuant to Dutch law was executed on 25 January 2024 and will be effective as of the day following the date of the Shareholders' Meeting of Brembo called on 23 April 2024 to approve, *inter alia*, the Company's Financial Statements for the year ended 31 December 2023;

- the payment of the liquidation value to those who validly exercised the withdrawal right was effected on 31 January 2024. The Company thus proceeded with the acquisition of 4,387,303 unopted shares, equal to €57,456,120.09 and accounting for 1.31387% of the Share Capital. Accordingly, as at the date of the approval of this Report, the Company holds 15,051,860 own shares representing 4.51% of Share Capital (2.93% of voting rights).

For further details on the foregoing, reference should be made to the press releases published on the Company's website ([www.brembo.com](http://www.brembo.com), section "Investors", "For Shareholders", "Registered Office Relocation").

Under the Cross-Border Conversion, effective 24 April 2024 the Company will transfer its registered office in The Netherlands, a country that applies the one-tier system. As a result, it should be noted that the current Board of Statutory Auditors will terminate its office as of the Effective Date of the Transaction (24 April 2024) and the control function will be performed by the Non-executive Directors, who will represent the majority of the members of the Board of Directors, in accordance with the Dutch Corporate Governance Code.

# 16. REMARKS ON THE LETTER FROM THE CHAIR OF THE CORPORATE GOVERNANCE COMMITTEE OF 14 DECEMBER 2023

The notice sent by the Chair of the Corporate Governance Committee issued on 14 December 2023, which makes reference to the “Annual Report on the application of the Corporate Governance Code and the related Recommendations to the issuers” for 2024 were first circulated to the Executive Directors and the Chairman of the Board of Statutory Auditors and subsequently to all the other Directors for customary examination, together with a analysis

comparing the related recommendations to the practices adopted by Brembo.

The analysis conducted found a high level of implementation by the Company of the Committee’s Recommendations for 2024, in line, *inter alia*, with the outcome of the 2023 BPE, as further described in the table below.

<b>IMPLEMENTATION AT BREMBO OF THE RECOMMENDATIONS IDENTIFIED BY THE CORPORATE GOVERNANCE COMMITTEE IN ITS LETTER OF 14 DECEMBER 2023</b>		<b>PARAGRAPH</b>
<b>Business Plan</b>	On 22 June 2023, Brembo's BoD examined the Brembo Group's 2023-2027 Business Plan — in line with the 2030 target — which sets out the Company's strategic goals and the actions to be taken to achieve those goals in keeping with the pre-defined risk profile so as to promote the Company's Sustainable Success.	<b>4.1.1</b>
<b>Pre-Board Information</b>	<p>In order to ensure that pre-board information is timely, complete, adequate and accessible, the supporting documentation is made available to the Directors and Statutory Auditors at least five (5) days before each meeting, except in particularly urgent cases, when it is made available at least two (2) days in advance, through the app “Portale CdA by Brembo”, which allows materials to be made available for consultation solely to current Directors and Statutory Auditors in office, before and during sessions of the Board, through access with a username and password.</p> <p>The documentation concerning confidential and strategic projects is presented directly during the meeting, and is made available to the Directors and Statutory Auditors in a protected format to ensure the confidentiality of the data it contains. In such cases, thorough inquiries are conducted during sessions of the Board.</p>	<b>4.8.1</b>
<b>Guidelines on Board's optimal composition</b>	<p>In view of the appointment of the new corporate bodies for the 2023-2025 three-year period and in compliance with the provisions set forth by the 2022 recommendations to the CGC, the outgoing Board of Directors of Brembo — based on the Board of Directors' Diversity Policies and (qualitative and quantitative) Criteria, indicated in the Brembo CGC and in the Regulations of the BoD (as well as taking into account the indications that had emerged from the 2022 BPE) — prepared and published on 2 March 2023 (8 days before the publication of the Notice of calling of the General Shareholders' Meeting) a document entitled “Guidelines of the outgoing Board of Directors of Brembo S.p.A to Shareholders on the qualitative and quantitative composition of the Board of Directors”, aimed at defining the criteria that would constitute the basis of reference for the Company's Shareholders to assess the candidates to be nominated for the appointment of the new company officers, as well as ensuring an optimal composition of the Board of Directors.</p> <p>In addition, it should be noted that the majority shareholder Nuova FourB S.r.l., in defining its list of ten (10) candidates, confirmed that it took into account the guidance contained both in the Illustrative Report on the appointment of the Board of Directors and in the “Guidelines of the outgoing Board of Directors of Brembo S.p.A to Shareholders on the qualitative and quantitative composition of the Board of Directors”.</p> <p>Based on the statements provided by the individual candidates, it was believed that the requirements of the outgoing Board of Directors were met.</p>	<b>4.1.1 4.4</b>

**IMPLEMENTATION AT BREMBO OF THE RECOMMENDATIONS IDENTIFIED BY THE CORPORATE GOVERNANCE COMMITTEE  
IN ITS LETTER OF 14 DECEMBER 2023****PARAGRAPH****Increased voting  
rights (so-called  
"voto maggiorato")**

Brembo introduced the Increased Voting Right Mechanism on 18 April 2019, through approval of the amendment to Article 6 of its By-laws, in accordance with the provisions of Article 127-*quinquies* of TUF.

In formulating its proposal to the Shareholders' Meeting, the Board of Directors specifically stated in its explanatory report (published on the Company's website on 18 March 2019) that the purpose of the mechanism was to foster stable and loyal ownership (through the allotment of an additional vote for each share registered in the specific Special List), thus promoting medium/long-term investment in Brembo's share capital in order to support the Group's organic and non-organic growth.

In addition, in line with the resolutions passed by the Shareholders' Meeting of 27 July 2023 with regard to the Cross-Border Conversion, in order to further strengthen the stability of the Group and incentivise the development and ongoing involvement of a stable base of long-term shareholders, also in function of the implementation of the Group's growth strategy through acquisitions and consolidation of companies active in sectors similar or complementary to the one in which the Group operates, the Company decided to confirm and strengthen the institution of the Voting Increase pursuant to Article 127-*quinquies* of TUF currently in place since 2019, through the adoption of a mechanism based on the allocation to "loyal" shareholders of special shares that grant additional voting rights to those due by virtue of holding ordinary shares (the "Special Voting Mechanism"), pursuant to Dutch law.

In the Dutch system, the voting increase is granted, to Shareholders who have accrued the right, through the allotment of shares of a special category (the "Special Voting Shares" or "SVS") that grant voting rights in proportion to their par value. The Special Voting Mechanism provides — through the matching of Special Voting Shares to Brembo's ordinary shares — that long-term "loyal" Shareholders have the opportunity to exercise up to ten (10) votes per share.

For further details on the foregoing, reference is made to the Explanatory Report of the Board of Directors to the General Shareholders' Meeting of 27 July 2023, available on the website at the following link: [www.brembo.com/en/investors/for-shareholders/shareholders-meeting](http://www.brembo.com/en/investors/for-shareholders/shareholders-meeting)

---

**1.2**





[brembo.com](https://www.brembo.com)