

ILLUSTRATIVE REPORT OF THE BOARD OF DIRECTORS, PURSUANT TO ARTICLE 125-TER OF CONSOLIDATED LAW ON FINANCE, AND CONCERNING THE FOURTH ITEM ON THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING OF BREMBO S.P.A., CALLED ON 20 APRIL 2018 (SINGLE CALLING)

4. Presentation of the Directive on Non-financial and Diversity information Report of the Brembo Group for the year ended 31 December 2017 pursuant to Legislative Decree 254/2016.

Shareholders,

The Ordinary Shareholders' Meeting has been convened to examine the Directive on Non-financial and Diversity information Report of the Brembo Group for the year ended 31 December 2017, pursuant to Legislative Decree 254/2016, that is a separate report from the Financial Statements of the Brembo Group.

It is remind that the Legislative Decree No. 254 of 30 December 2016 (transposed European Directive 2014/95/EU on the subjects of non-financial and diversity information), introduced the obligation for the Listed Companies, banks and large insurance companies (as well as reinsurance) to prepare and publish, for each financial year, a statement at the individual or consolidated level containing a series of information on environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The information contained in the Group's NFS has been defined in compliance with Legislative Decree 30 December 2016, n. 254 in a series of non-financial information areas of a social / environmental nature considered relevant, taking into account the Group's activities and characteristics, such as:

- a) environment;
- b) social aspects;
- c) human resources;
- d) respect for human rights;
- e) combating active and passive corruption.

For each of the aforementioned areas, the relative business model of management and organization of the activities, the policies applied and the results achieved, as well as the fundamental non-financial performance indicators are described. The main risks, generated and / or suffered, connected, are also identified.

The information was provided according to the methodologies and principles according to the G4 guidelines published by the Global Reporting Initiative (GRI).

To define the structure and the contents of the Statement on Non-Financial Information pursuant to Legislative Decree 254/2016 ("NFS"), the Group conducted a materiality analysis aimed at identifying areas of non-financial reporting of a social and environmental nature deemed relevant in relation to its business profile, strategies, stakeholders' expectations, business environment, etc., in which the Group's activities have the greatest effect on protection of natural ecosystems and the wellbeing of communities, people and all other Group stakeholders.

The NFS for 2017 was examined and approved by the Board of Directors of Brembo S.p.A. at its meeting of 5 March 2018, after being examined by the Audit, Risks & Sustainability Committee during its meeting of 26 February 2018, and it was then submitted to the control bodies (Board of Statutory Auditors and Independent Auditors) for the activities within their remit. The NFS was also subject to limited assurance by the same auditing firm commissioned to audit the financial statements (EY), who verified that it conforms to Decree No. 254/2016 and complies with the principles and methodologies of the reporting standard used (GRI). The related report, which is separate from the independent auditors' report, is appended to and published together with the NFS.

It bears also recalling that the NFS is available for the Shareholders and for public consultation in accordance with the terms set forth by current regulations applied for the Financial Statement Report, at the Company's registered offices in Curno (Bergamo), Via Brembo 25, and at Borsa Italiana S.p.A. in Milan, Piazza degli Affari 6, as well as on the corporate website www.brembo.com, Sustainability section, Reports, and through the mechanism for the storage of regulated information (www.1info.it). The NFS will be distributed during the Shareholders Meeting.

In light of the foregoing, the Shareholders' Meeting of Brembo S.p.A. is invited to examine the Consolidated Financial Statements of the Brembo Group at 31 December 2017.

Stezzano, 5 March 2018

On behalf of the Board of Directors
The Chairman
signed by Alberto Bombassei