

PG.W.IA - 01

**WHISTLEBLOWING REPORTS
PROCEDURE**

(REV. 04 – 13/12/2018)

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List of revisions

| REVISION | DATE | NOTES |
|----------|------------|---|
| 00 | 03/09/07 | First edition. |
| 01 | 29/10/10 | First Revision: - Glossary alignment to the new IA procedures - Clearer description of the competences about reports (SC, IA, other bodies) |
| 02 | 25/06/2017 | Second revision: - introduction of the Anti-bribery Code - management of anonymous reports - Disclosure art. 13 of Legislative Decree no. 196/2003 |
| 03 | 17/07/2017 | Third revision: - Minor impact adjustments |
| 04 | 13/12/2018 | Fourth revision: - Updated with reference to the GDPR law |



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1. SCOPE AND FIELD OF APPLICATION

This procedure is aimed at setting up appropriate information channels for the receipt, analysis and processing of whistleblowing reports of violations of the Code of Ethics, of the Antibribery Code, of the Organisational, Management and Control Model and more generally of the Brembo Internal Control System.

Save for situations of fraud, this procedure shall not apply to operating anomalies that must be identified by corporate structures during the course of required internal controls and reported to the heads of related departments.

Affiliate companies shall adopt this procedure or a similar internal instruction with reference to the statutory prerogatives linked to their corporate situation, it being however understood that:

- i. the referees of affiliate companies must promptly notify the Supervisory Committee of any and all whistleblowing reports received;¹
- ii. upon receiving such notification, the Supervisory Committee, if necessary, is required to carry out the checks and inspections contemplated in this procedure.

2. ABBREVIATIONS AND DEFINITIONS

Audit: assurance activity, which means check and evaluation activity that deals with an auditable unit.

Code of Ethics: document setting forth the ethical commitments and responsibilities binding on all collaborators, be they administrators or employees in any sense of the term, of Brembo S.p.A. and affiliate companies, in conducting business and the performance of corporate activities.

Antibribery Code: document of Brembo, which is in line with the principles of the Code of Ethics and international best practices, with the aim to ensure transparency, provide clarity on acceptable behaviour and comply with relevant anti-corruption legislation wherever in the world you are conducting business for Brembo. The aim of the Code is to ensure that the highest standards of integrity are maintained. This code also sets out Brembo's policy on the giving and receiving of gifts, hospitality and entertainment, and your responsibilities under this Code.

Internal Audit Department / Internal Audit (IA): Brembo Group Internal Audit, that is the Department carrying out Internal Auditing activities in the Brembo Group.

Organisational, Management and Control Model: Contemplated under Legislative Decree No. 231 of 8 June 2001 that introduced a regime of corporate administrative liability for certain types of offences, this document was adopted by resolution of the Board of Directors of Brembo S.p.A. on 11 February 2005 and amended in light of subsequent legislative reforms.

Supervisory Committee (SC): Body of Brembo S.p.A. having the job of supervising the functioning and observance of the Organisational, Management and Control Model. , all of whom must meet the

¹ For Italian affiliate companies, such information must be communicated to the Supervisory Committee of the referred company.



requirements of autonomy, independence, personal integrity, professionalism and competence as well as ongoing oversight capabilities within the meaning of Legislative Decree 231/01, and must be selected on the basis of the criteria established in the Organisational, Management and Control Model.

Pres: Brembo S.p.A. President.

231 Referees of the Group companies: General Managers or other relevant people identified by Brembo S.p.A: in the affiliate companies with the job of managing fulfilments relating to D. Lgs. 231/01 for the company.

Report: Any and all information pertaining to possible violations, or behaviour or practices that do not comply with the provisions of the Code of Ethics, the Antibribery Code and the Organisational, Management and Control Model, as well as any and all behaviour and practices that may occasion harm or losses, including only to the corporate image of Brembo S.p.A., or any one of its affiliate companies, forwarded by employees, referees of the Supervisory Committee, members of corporate organs (Board of Directors, Board of Auditors), the independent auditors of Brembo S.p.A. and its affiliate companies, as well as third parties (customers, suppliers, consultants, collaborators) maintaining business relations with the said companies.

Anonymous reports: Any and all reports forwarded by persons whose identity is not specified and cannot be traced.

Bad faith reports: Any and all reports, totally unfounded, made just with a view to occasioning harm or prejudice to employees, members of corporate organs and/or the independent auditors of Brembo S.p.A. or any of its affiliate companies, or to the said companies themselves, or even third parties (customers, suppliers, consultants, collaborators) maintaining business relations with Brembo S.p.A. and/or the said companies.

Internal Control System (ICS): the whole of rules, procedures and organizational structures aimed at permitting, through an adequate process of identification, measurement, management and monitoring of the main risks, a healthy, correct conduction of the company coherent with the prefixed goals.

Member of Supervisory Committee in charge of operational powers: the Supervisory Committee has the power to appoint to one of its members a power of attorney in order to manage operational activities to be reported to the committee.



3. MATRIX OF RESPONSIBILITIES

| Type of Responsibility | | SC | IA | Relevant Bodies (internal or external) |
|---|---------------------------|----|----|---|
| Ensuring the preparation and maintenance of the communications channels for reports | Primary responsibility | X | | |
| | Supporting responsibility | | X | |
| Ensuring the receipt, recording, notification and checking of reports received | Primary responsibility | X | | |
| | Supporting responsibility | | X | |
| Assessment of reports received, check and preliminary verification | Primary responsibility | X | | |
| | Supporting responsibility | | X | X |
| Launching the process | Primary responsibility | X | | |
| | Supporting responsibility | | X | |
| Auditing activities | Primary responsibility | X | | |
| | Supporting responsibility | | X | X |
| Ensuring the updating, archiving and dissemination of procedures pertaining to reports received | Primary responsibility | X | | |
| | Supporting responsibility | | X | |

4. OPERATING MODALITIES

4.1 COMMUNICATION CHANNELS

In order to promote the reporting on the matters in question, Brembo arranges the following channels of communication

- Reports related to violations of the Code of Ethics, of the Anti-bribery Code, of the Organizational, Management and Control Model have to be addressed to the supervisory committee through:
 - Oral reports to the Supervisory Committee;
 - Ordinary post (Supervisory Committee– Brembo S.p.A. viale Europa, 2 24040 Stezzano (BG) Italy).



- E-mail (organismo_vigilanza@brembo.it).
- Voice mail (+39 035-6055295).
- Fax (+39 035-6055203).
- Internet (Corporate Governance section of the website www.brembo.com), where it is possible to report violations also using a specific form.
- Brembo Portal.

The aforesaid channels shall be set up and operatively maintained by Supervisory Committee with the support of the Internal Audit department.

Oral whistleblowing reports are formalized in a specific form signed by the reporting party.

4.2 PRINCIPLES OF REFERENCE

All the reports received through the aforesaid communication channels should contain enough information in order to allow and adequate evaluation of reliability and activate the related verifications.

4.2.1 GUARANTEE OF ANONYMITY

All the departments / organizational positions within Brembo S.p.A. involved in the receipt and processing of reports must ensure the absolute confidentiality and anonymity of the persons making the reports with the exception of Supervisory Committee.

4.2.2 BAD FAITH REPORTS

Brembo expects employees at all levels to collaborate in maintaining a climate of mutual respect for the dignity, integrity and reputation of each and every person within the company. Brembo shall not tolerate insulting or defamatory interpersonal behavior. Accordingly, the Supervisory Committee shall ensure adequate protection against bad faith reports, taking action against such conduct and informing the parties/companies targeted by reports found to have been made in bad faith.

4.2.3 ANONYMOUS REPORTS

Anonymous reports shall be entertained only if proper detailed account is given and supported by factual elements.

4.2.4 REPORTING PARTIES

Reports may be made by any person: employees, members of corporate organs (Board of Directors, Board of Auditors) and of the independent auditors' company, customers, suppliers, consultants, collaborators, shareholders, partners of Brembo S.p.A., and its affiliate companies, as well as other third parties.



4.2.5 REPORTED PARTIES

Reports may pertain to any and all the employees, members of corporate organs (Board of Directors, Board of Auditors) and of the independent auditors of Brembo S.p.A. and its affiliate companies, as well as other third parties (customers, suppliers, consultants, collaborators, partners) maintaining business relations with Brembo S.p.A. and/or its affiliate companies.

Reports about member of Supervisory Committee will be addressed to the President of Board of Directors of Brembo S.p.A.

4.2.6 RECIPIENTS

Should the report not be directly addressed to a Supervisory Committee, the addressees of the same (employees, members of corporate organs, independent auditors, referees of foreign companies) shall make timely transmission of the original report to the Supervisory Committee, in compliance with principles of confidentiality aimed at protecting the effectiveness of assessments and the integrity of the persons involved.

The Supervisory Committee must also receive any and all documents pertaining to the reported facts, in order to carry out the assessments falling within its purview.

4.3 MANAGEMENT OF WHISTLEBLOWING REPORTS

4.3.1 RECORDING OF THE REPORT

The Supervisory Committee, with the operative support of Internal Audit Department:

- record each report received in a specific database.
- record the information pertaining to each report in the “report sheet” that must be filed and archived in the Supervisory Committee archive.

4.3.2 VERIFICATION AND PRELIMINARY CHECK

All the reports pertaining to the matters in question, receive a timely receipt response and are subjected to a preliminary check and assessment by the managing member of the Supervisory Committee.

Aim of the preliminary check is to assess the legal and factual bases of the report, in order to decide whether further assessments are required and the competence of the report.

Subsequently, the preliminary check and assessment phase begins, in which all the necessary elements must be collected from the reporting parties in order to evaluate whether or not there is good cause to proceed an audit.

Upon conclusion of the preliminary check and assessment:



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- for those reports relating to violations of the Code of Ethics, the Antibribery Code or of the Organizational Management and Control Model, the Supervisory Committee evaluates whether to carry out further verifications or whether to activate a following phase of audit;
 - for those reports not relating to Supervisory Committee, after receiving the consent of the reporting parties, shall be addressed to:
 - o Internal Audit in case of violations of the Internal Control System, without impacts on the Model;
 - o internal competent bodies if in case of reports with management nature or any other nature.

4.3.3 AUDIT

The Supervisory Committee has the power to appoint Internal Audit Department to perform auditing activity or other business function, or third specialist, on the basis of the checks to be carried out and relevant skills.

In carrying out audits, the work team shall implement the operating standards methodologies of the Internal Audit function.

4.3.4 FOLLOW UP

In case actions plans would arise after audit activities, they will be periodically monitored by the Supervisory Committee, who shall ask the support of the Internal Audit function.

4.4 REPORTING

The Supervisory Committee shall ensure the following reporting flows:

- **Database of received reports:** with a view to drawing up statistics highlighting all the reports received and their current state of progress. This report is periodically presented to the President and Audit and Risks Committee.
- **Audit report:** if an audit has been launched, to be submitted to the President, to the ICS Supervising Director and the Directors/managers of the departments involved, if any. The audit report must also be made available to the Supervisory Committee.

The reporting doesn't include the identity of the reporting parties, unless there is explicit authorization.

The reporting system from and to the Supervisory Committee, contemplated in the Organisational, Management and Control Model drawn up pursuant to Legislative Decree No. 231/2001, shall continue to apply.



4.5 RESPONSIBILITY FOR UPDATING

The Internal Audit Department, to support the Supervisory Committee, shall be in charge of updating this procedure.

4.6 FILING OF DOCUMENTS

In order to ensure the management traceability of reports and related investigative activities, all related documents are archived in the offices of Internal Audit Department, at Supervisory Committee disposal, in compliance to the data protection code procedure of Brembo.

4.7 DISTRIBUTION

This procedure must be disseminated and distributed as widely as possible.

Towards such end, it shall be published on Brembo's intranet portal and website (www.brembo.com).

4.8 PRIVACY NOTICE ON PERSONAL DATA PROCESSING PURSUANT TO ARTICLE 13 REG (UE) 2016/679

The data collected under the present Whistleblowing Report Procedure are processed by Brembo S.p.A. in its role of data controller, according to the European Regulation 679/2016 (hereinafter "Regulation") regarding the protection of personal data. The possible personal data acknowledged from whistleblowing reports (such as name, surname, contact data and content of the whistleblowing report) will be stored for the time that is necessary to comply with the above mentioned purposes, which is the time that is necessary to analyze the alleged violation and the termination of the relative proceeding, and will be processed:

- for purposes related to the respect of obligations under the Legislative Decree no. 231/2001 and within the limits laid down in this procedure, with or without the help of electronic media and in compliance with the provisions of Regulation and the Italian law D.Lgs 196/2003, as modified by D.Lgs. 101/2018;
- only by the authorized personnel of Brembo SpA, mainly by the Internal Audit department and/or by other corporate functions in charge of the examination and management of whistleblowing reports, by means of electronic or manual systems and according to the principles of fairness, integrity and transparency that are required by applicable laws on data protection as well as by preserving the privacy of the concerned persons through the implementation of technical and organizational measures ensuring an adequate safety level;
- the data will be communicate only to the member of Brembo SpA Supervisory Committee and, where necessary, to the competent public authorities, and will not be disseminated;
- for the above mentioned treatment of personal data the consent is not required since the legal basis for processing is the fulfilment of the legal obligations (Legislative Decree no. 231/2001);
- personal data shall not be transferred outside the European Union;



- the provision of personal data is optional and the possible failure to provide the same, will have, as a consequence, the classification of the report as an anonymous report, and shall be taken into account only if properly detailed and supported by factual elements.

The Data Subjects shall have the rights contemplated in the Regulation (articles from 15-21), by contacting the Data Protection Officer (DPO) at the e-mail address privacy.italy@brembo.it or by sending a communication to the Company at the address provided below, and have also the right to lodge a complaint with the supervisory authority (for example to the Italian authority Garante per la protezione dei dati personali), with the sole exception of the limitation, provided in article 2-undecies of the Legislative Decree n. 196/2003, as modified by the Legislative Decree n. 101/2018, which means in case from the exercise of these rights could arise a real and tangible injury to the confidentiality and anonymity of the person who reports the violation, according to the Legislative Decree n. 179/2017.

The Data Controller is Brembo S.p.A., with registered office in Curno (BG), via Brembo n.25 – 24035, phone number 035.6052111.

5. REFERENCE DOCUMENTS

| Tipo documento | Cod. Documento | Titolo Documento | Indirizzo di rete |
|----------------|----------------|---|---|
| BoD Guidelines | / | Code of Ethics of Brembo s.p.a. | http://www.brembo.com/it/Investitori/Corporate-Governance/Pages/Principi-e-codici.aspx |
| BoD Guidelines | / | Organisational, Management and Control Model of Brembo s.p.a. | http://www.brembo.com/it/Investitori/Corporate-Governance/Pages/Principi-e-codici.aspx |
| BoD Guidelines | / | Antibribery Code | http://www.brembo.com/it/Investitori/Corporate-Governance/Pages/Principi-e-codici.aspx |
| BoD Guidelines | / | Corporate Governance Manual of Brembo S.p.A. | http://www.brembo.com/it/Investitori/Corporate-Governance/Pages/Principi-e-codici.aspx |

