

Curno (Bg) July 20th 2018

In advance via e-mail

Object: Brake pads defect / Communication to clients - installers SAFETY RECALL NOTICE

Dear

Brembo S.p.A. ("Brembo") has become aware of two occurrences of potential friction material detachment from brake pads manufactured by Federal Mogul Italia S.r.l. (supplier batch #672, "FMI Batch #672"; Part No.: 07.6949.10) for Brembo. Brembo therefore requests you

- immediately discontinue the sale of FMI Batch #672 brake pads and brake systems fitted with those brake pads;
- assist with the replacement of such parts that have already been sold to customers. There will be (ii) no charge to the customers for this recall;
- contact both the installers and the consumers to whom you already sold or installed calipers (iii) /caliper kits fitted with FMI Batch #672 brake pads and immediately inform them to stop selling the possible affected parts which they may still have in their stocks;
- request the name and the contact, where possible, of the final consumers to whom the defective (iv) parts have been sold;
- provide us with the name and the contact of installers and consumers (please use the format herein (v) enclosed), as soon as possible so we may contact them as well.

We are notifying our customers and the appropriate authorities of this issue. Please note that it would be a violation of United States Federal law for a dealer to deliver a new motor vehicle or any new or used item of motor vehicle equipment covered by the notification under a sale or lease until the defect or noncompliance is remedied.

Describe the defect or Brembo brakes equipped with FMI Batch #672 brake pads may have potential issues involving detachment of brake pad friction material from noncompliance: the back plate. As a consequence, vehicle brake performance could be compromised in vehicles with FMI Batch #672 equipment brake pads.

BREMBO S.p.A.

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Describe the safety risk:

In case of detachment of brake pad friction material from the back plate, the distance between the braking plate and disc cannot be balanced with a single action on the brake master cylinder. As a consequence, brake calipers fitted with potentially defective pads may not participate in deceleration of the vehicle. Motorbike design requires independent front and rear brake systems: systems assembled with unaffected brake pads maintain their required performance.

There may be an increased risk of driver injury and/or vehicle damage even if only one brake has an affected brake pad.

Estimated percentage of product involved with defect:

3% of FMI Batch #672 which consists of 3,026 pads or about 100 potentially defective pads.

Identify the Remedy

Official dealers will replace the brake pads from batch no. #672 with other spare pads (same p/n - different supplier batch). This replacement will be free of charge for customers.

Enclosed with this communication you can find:

- instructions to identify and replace FMI Batch #672 brake pads. The batch number is indicated on the products supplied to you fitted with FMI Batch #672 brake pads and on the external plate of the brake pad itself; and
- a Q&A to help better address Customer questions.

Please direct communications about this issue to your Brembo Area Manager, who will be available to provide you with any further necessary information.

Kind regards,







Operative Instructions

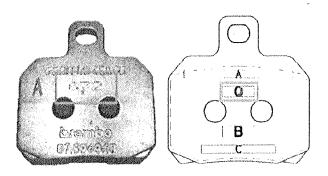
Scope for this documents is to:

- (i) report number of batches of calipers/caliper kits sent to Race Technologies that could possibly have inside pads from batch #672, defined at risk as per notification given by our supplier FMI.
- (ii) show how to identify in a unique way pads from the defective batch #672
- (iii) define how to proceed after the pads identification

Pads from defective batch have been possible assembled on the following products delivered to you:

Product	Q.TY	Delivery	Delivery Note	
Code		Note Date	Number	
120A44110	7	180221	18018V005K00101	
120A44110	6	180328	18018V005K00185	
120A44130	30	180221	18018V005K00101	
120A44130	10	180221	18018V005K00101	
120A44142	1	180321	18018V005K00166	
120A44110	45	180427	18018V005K00262	
20B85210	64	171025	17018V005K00601	
20B85270	89	180111	18018V005K00012	
20B85270	35	180124	18018V005K00038	
20B85270	12	180205	18018V005K00063	

To identify the above mentioned calipers/caliper kits have installed a pad from the defective batch, it is necessary to verify which is the number laser marked on the back plate of the pad as shown in the following picture:





Right after the check, based on the results please follow the instruction:

- If you find a pad from batch #672 you have to:
 - o segregate pad and ship then back to Brembo, indicating the product code from which the pad has been disassembled
 - o indicate contact details of the customer involved if the case
- If you don't find a pad from batch #672 you have to:
 - O Indicate contact details of the customer you have contacted if the case

In order to properly manage such operation and monitor the progress, we kindly ask you to fill the enclosed datasheet file named "Brake_pads_defect_recall_traceability_file" and forward it weekly by email to your Brembo Area Manager reference. (see below an example)

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Q&As

This set of Q&As provides consistent messages and aligned communication, in order to support in dealing with customer, dealers and distributors.

PROBLEM DEFINITION

- Q. What does exactly the problem consist of? And which may be the consequences for users' safety?
- A. The problem concerns the possible detachment of the brake pads friction material from the backing plate. As a consequence, the vehicle brake performance and safety could be compromised.
- Q. Which is the batch involved in this recall campaign?
- A. The sole pad batch involved is the #672.
- Q. Which is the risk for those who bought a caliper/caliper kit if they are using it?
- A. Motorcycle brake performance and safety could be compromised.
- Q. What is the % of risk?
- A. 3% of pads included in the specific supplier batch.
- Q. How many parts are involved in this recall?
- A. Approximately #100 potential defective pads coming from batch #672, such batch counts a total of #3.026 FMI pads
- O. Which caliper are equipped with the pads affected by the problem?
- A. For the product list of motorcycle calipers/kit calipers, please refer to:

http://www.qualitycontrollirenbo.com/

- Q. Which countries are involved?
- A. Several countries are potentially involved.
- Q. How do customers/riders can detect during normal running if their caliper/kit caliper has a defected pad installed?
- A. It is not possible to recognize the issue during motorcycle normal running.

DETECTION OF THE PROBLEM

- Q. How did you find out the problem?
- A. We have been informed by our pads supplier, FMI, about a technical problem occurred in its production process.
- Q. When did you find out about the problem?
- A. Recently, we have received a report from the supplier which confirmed it had a technical problem in its production process.
- Q. Since when does the problem exist?



- A. Affected pads batch has been produced in August 2017. Recently, after a deep analysis, we have received confirmation from the supplier about the possible issue in field.
- Q. Why didn't your control systems detect the problem?
- A. Our supplier has in place a control plan in their facility to guarantee product quality. Brembo is statistically checking parts during incoming inspection process.
- Q. Why haven't you promptly informed us as soon as you became aware of the problem?
- A. As soon as we became aware about the issue we have promptly asked to our supplier to make all the necessary tests to define the problem. Upon receipt of all relevant information and once we drew a clear picture of the problem, we immediately informed our customers, as required by our corporate policies.
- Q. Have you received any report of accidents that have occurred due to the malfunctioning of the part?
- A. Brembo received information about two cases related to this issue, with no physical damages occurred on rider and/or motorcycle.
- Q. Are you insured?
- A. Yes, we have dedicated insurance coverage.
- Q. Are parts currently available in your stock affected by the problem?
- A. Only batch #672 is involved in this recall (the code is printed on the pad). No other part numbers/batches are involved.
- Q. Since when are parts safe?
- A. Only batch #672 is involved in this recall (the code is printed on the pad). No other part numbers/batches are involved.
- Q. Do you think that the anomaly can also be found in other pads produced with the same supplier?
- A. We don't have evidence of any other product/batch affected by this problem.

ACTION PLAN

- Q. What do you think to do?
- A. Brembo is requesting to all possible customers involved to check their own parts and verify the presence or not of the pads coming from batch #672. And replacing them FOC.
- Q. Are you planning to inform final users/consumers through a communication campaign?
- A. Yes, we have already planned a communication campaign to inform consumers about the problem giving them further instructions for the product recall.
- Q. Will you provide replacements for all the products or just the defective one?
- A. We are replacing only the pads of batch #672, as no other batches have problems.
- Q. How long will it take to service and replace the part?
- A. It takes more or less 10 minutes to replace the pads on the caliper.