



**PIAGGIO
GROUP**

REPORT ON CORPORATE GOVERNANCE AND CORPORATE OWNERSHIP 2021

REPORT ON CORPORATE GOVERNANCE AND CORPORATE OWNERSHIP

pursuant to Article 123 bis of the Consolidated Law on Finance

(Traditional management and control model)

Issuer: Piaggio & C. S.p.A.
Website: www.piaggiogroup.com

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GLOSSARY

Shareholders' Meeting: Shareholders' Meeting of the Issuer.

Italian Stock Exchange: Borsa Italiana S.p.A.

Corporate Governance Code/ CG Code: approved by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., in January 2020, available at the address www.borsaitaliana.it. applicable as from 1 January 2021.

Italian Civil Code: the civil code.

Committee/CG Committee/Corporate Governance Committee: the Italian Committee for the Corporate Governance of listed companies, promoted by Borsa Italiana S.p.A. and by ABI, Ania, Assogestioni, Assonime and Confindustria

Board/Board of Directors: the Issuer's Board of Directors.

Board of Statutory Auditors: the Board of Statutory Auditors of the Issuer.

Date of the Report: the approval date of this Report by the Board of Directors of Piaggio.

Issuer/Company/Piaggio: the Issuer of the listed shares to which the Report refers.

Financial year: the financial year to which the Report refers.

Group: the group of companies of which the Issuer is the Parent.

Instructions to the Stock Exchange Regulations: the instructions to the Regulations on Markets organised and managed by Borsa Italiana S.p.A.

Stock Exchange Regulations: the Regulations on Markets organised and managed by Borsa Italiana S.p.A..

CONSOB Regulation on Issuers: the Regulations issued by CONSOB by Resolution no. 11971 of 1999 (as amended) concerning Issuers.

CONSOB Regulations on Markets: the Regulations issued by CONSOB by Resolution no. 20249 of 2017 (as amended) concerning markets.

Related Parties Regulations: the regulations issued by CONSOB with Resolution no. 17221 of 12 March 2010 (as amended) concerning transactions with related parties.

Report: this report on corporate governance and ownership structures drawn up by Piaggio pursuant to Article 123-bis of the Consolidated Law on Finance referred to the financial year.

Remuneration Report: the "Report on remuneration policy and compensation paid" prepared pursuant to Article 123-ter of the Consolidated Law on Finance and Article 84-quater of the CONSOB Regulation on Issuers, available in accordance with law at the registered office, on the website of the issuer at www.piaggiogroup.com and in the authorised storage mechanism "eMarket Storage" available at www.emarketstorage.com.

Concentrated Ownership Company: “concentrated ownership companies” pursuant to the CG Code, that is the company in which one or more shareholders taking part in a vote shareholders’ agreement hold, directly or indirectly (through subsidiaries, trusts or third parties), the majority of votes to be exercised in the ordinary shareholders’ meeting.

Large Company: the “large company” pursuant to the CG Code, that is the company whose capitalisation exceeded EUR 1 billion on the last trading day of the three previous calendar years.

TUF (Consolidated Law on Finance): Legislative Decree no. 58 of 24 February 1998 (as amended).





1. ISSUER PROFILE

Founded in 1884, the Issuer, having its registered office in Pontedera (Pisa), is now one of the leading world manufacturers of two-wheeler motor vehicles.

The Issuer is classified amongst the top 4 global operators in the reference market. The product range includes scooters, mopeds and motorcycles from 50 to 1,200cc marketed under the Piaggio®, Vespa®, Gilera®, Aprilia®, Moto Guzzi®, Derbi® and Scarabeo® brands. The Issuer also operates in the three- and four-wheeler light transport sector with the Ape®, Piaggio Porter® and Quargo® vehicles.

The Issuer is organised in accordance with the traditional compliance programme contemplated in Articles 2380-bis et seq. of the Italian Civil Code, with powers reserved respectively to the General Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors.

As part of the process of adjusting to recommendations in the Corporate Governance Code, the Board of Directors promotes integration of sustainable topics in its corporate governance system and remuneration policy, in the terms described in this Report. For further information on the sustainability policies adopted by the Issuer and the Group, please refer to the Corporate Social Responsibility Report, to the Non-Financial Statement and to the Code of Ethics published on the website of the Issuer, in the Sections "Financial Statements and Reports" and "Governance – Code of Ethics" respectively.

The Board of Directors guides the Issuer with the aim of pursuing sustainable success, an objective which involves creating long-term value to benefit shareholders, considering the interests of the other relevant stakeholders for the Issuer, all as better illustrated in paragraphs 4.1, 6, 8 and 9 below.

Pursuant to Legislative Decree 254/2016, the Issuer has an obligation to prepare the non-financial Statement which is published annexed to the Annual Financial Report, (available on the Issuer's website in the Section "Financial Statements and Reports", to be referred to for further information); it presents the many company policies, the management models and the main activities performed by the Group during 2021 related to the topics specifically referred to in Legislative Decree 254/16 (environmental, social, related to personnel, respect for human rights, fighting corruption), and the main risks identified connected to the aforesaid topics.

The Issuer does not fit the definition of SME pursuant to Article 1, paragraph 1, letter w-quater.1), of the Consolidated Law on Finance and Article 2-ter of the CONSOB Regulation on Issuers.

Based on what is set forth in the Corporate Governance Code, at the date of the Report the Issuer is not configured as a Large Company, but as a Concentrated Ownership Company (see Sections 4.3 and 7.2 of the Report for the flexibility options used).

2. INFORMATION ON CORPORATE OWNERSHIP (PURSUANT TO ARTICLE 123-BIS OF THE CONSOLIDATED LAW ON FINANCE) AS AT 31/12/2021

A) STRUCTURE OF SHARE CAPITAL (Article 123-bis, section 1, letter a) of the Consolidated Law on Finance)

The Issuer has a share capital of EUR 207,613,944.37, fully subscribed and paid up, divided into 358,153,644 ordinary shares with no stated par value. Each share carries the right to one vote, is indivisible, and was issued in dematerialised form. Categories of shares that make up the share capital:

SHARE CAPITAL STRUCTURE

	N° OF SHARES	% OF SHARE CAPITAL	NO. OF VOTING RIGHTS	LISTED	RIGHTS AND OBLIGATIONS
ORDINARY SHARES	358,153,644	100	358,153,644	Euronext Milan (formerly MTA - Mercato Telematico Azionario)	Each share gives the right to one vote. The shareholders rights and obligations are those in Articles 2346 et seq. of the Italian Civil Code.

B) RESTRICTIONS ON THE TRANSFER OF SECURITIES (Article 123-bis, paragraph 1, letter b) of the Consolidated Law on Finance)

There are no securities transfer restrictions.

C) SIGNIFICANT INVESTMENTS IN CAPITAL (Article 123-bis, section 1, letter c) of the Consolidated Law on Finance)

As at 31 December 2021 and as at the date of the Report, the material investments in the Issuer's capital, in accordance with communications made pursuant to Article 120 of the Consolidated Law on Finance and with communications received by the Issuer, are the following:

MATERIAL INVESTMENTS IN CAPITAL

DECLARER	DIRECT SHAREHOLDER	% OF ORDINARY SHARE CAPITAL	% OF SHARES WITH VOTING RIGHTS
IMMSI S.p.A.	IMMSI S.p.A.	50.07	50.07
Diego della Valle	Diego della Valle & C. S.r.l.	5.54	5.54

D) SECURITIES THAT GRANT SPECIAL RIGHTS (Article 123-bis, paragraph 1, letter d) of the Consolidated Law on Finance)

No securities have been issued bearing special rights of control.

The Articles of Association of the Issuer do not contain provisions relating to the increased vote pursuant to Article 127-quinquies of the Consolidated Law on Finance.

E) EMPLOYEE SHARE OWNERSHIP: EXERCISING OF VOTING RIGHTS (Article 123-bis, paragraph 1, letter e) of the Consolidated Law on Finance)

There is no employee share ownership scheme.

F) RESTRICTIONS ON VOTING RIGHTS (Article 123-bis, paragraph 1, letter f) of the Consolidated Law on Finance)

There are no restrictions on voting rights.

G) SHAREHOLDER AGREEMENTS (Article 123-bis, section 1, letter g) of the Consolidated Law on Finance)

As far as the Issuer knows, as at 31 December 2021 and the date of the Report, there were no agreements between Company shareholders with significant content pursuant to Article 122 of the Consolidated Law on Finance.

H) CLAUSES OF CHANGE OF CONTROL (pursuant to Article 123-bis, paragraph 1, letter h) of the Consolidated Law on Finance) and statutory provisions concerning IPOs (Article 104, paragraph 1-ter, and 104-bis, paragraph 1 of the Consolidated Law on Finance)

The Issuer has stipulated some important agreements; their content is illustrated in a specific section of the Financial Statements as at 31 December 2021 (to be referred to for more detail). They are changed or can be extinguished if there should be a change in control of the contracting company. Specifically the following agreements have been made:

- a syndicated term loan and revolving credit facility totalling EUR 250 million;
- a debenture loan totalling EUR 250 million, issued by the Company;
- a loan agreement with the European Investment Bank, totalling EUR 70 million;
- a loan agreement with the European Investment Bank, totalling EUR 70 million;
- a loan agreement with the European Investment Bank, totalling EUR 30 million;
- a term loan agreement with Banco BPM totalling EUR 30 million;
- a Revolving Credit Facility with Banca del Mezzogiorno - MedioCredito Centrale totalling EUR 10 million.
- a loan agreement with Banca Popolare Emilia Romagna totalling EUR 20 million.
- a loan agreement with BNL totalling EUR 20 million;
- a revolving credit facility with Intesa SanPaolo totalling EUR 20 million
- term loan agreements (Schuldschein Loans) with international banks totalling EUR 100 million;
- a term loan agreement with Cassa Depositi e Prestiti totalling EUR 30 million.

With regard to takeover bids, the provisions of the Articles of Association of the Issuer do not derogate from the passivity rule provisions established in Article 104, paragraphs 1 and 1-bis of the Consolidated Law on Finance, nor do they provide for application of neutralisation rules as referred to in Article 104-bis, paragraphs 2 and 3 of the Consolidated Law on Finance.

I) AUTHORITY TO INCREASE THE SHARE CAPITAL AND AUTHORISATION TO PURCHASE OWN SHARES (Article 123-bis, section 1, letter m) of the Consolidated Law on Finance)

The Board was not delegated by the Board of Directors to increase share capital pursuant to Article 2443 of the Italian Civil Code.

Powers for the issue of financial instruments have not been vested in or delegated to the Directors.

Authorisations to purchase and dispose of treasury shares

On 14 April 2021 the Shareholders' Meeting resolved to authorise treasury share purchase and disposal transactions - after revoking a similar authorisation granted by the Shareholders' Meeting of 22 April 2020 - in order to give the Company a useful strategic investment opportunity for all purposes permitted by regulations in force, including purposes established in Article 5 of (EU Regulation 596/2014 (Market Abuse Regulation, hereinafter "MAR") and practices permitted by CONSOB pursuant to Article 13 of the MAR, where applicable, including the purchase of treasury shares to then cancel them, within terms and by procedures possibly resolved by the members of company boards.

In particular, the Shareholders' Meeting resolved the following:

- (i) to authorise, pursuant to and for the purposes of Article 2357 Italian Civil Code, the purchase, in one or more tranches, for eighteen months from the resolution date - of ordinary Company shares up to a maximum number that, considering the ordinary Piaggio shares held in portfolio by the Company and its subsidiaries each time, does not exceed the maximum established by the applicable regulations in force at the time, for an amount that does not exceed the highest between the price of the last independent trade and the price of the highest current independent bid price in the trading venues where the purchase is made; provided that the unit price may not in any event be less than the minimum of 20% and no greater than the maximum of 10% of the arithmetic mean of the official prices recorded by the Piaggio share in the ten days of trading prior to each single purchase;
- (ii) to authorise the Board of Directors (and the Chairman and Chief Executive Officer of behalf thereof) to identify the amount of shares to be purchased in relation to each purchase programme, for the purposes indicated above prior to the start of the programme, and to purchase these shares in accordance with the procedures established by the applicable provisions of the Issuers Regulation implementing Article 132 of the Consolidated Law on Finance, in compliance with the conditions relative to trading pursuant to Article 3 of the Commission Delegated Regulation (EU) 2016/1052. This must take place within a time frame deemed appropriate to the interests of the company, attributing the broadest powers for execution of the purchase transactions pursuant to the resolution, as well as any other formalities relating thereto, including any assignments to intermediaries qualified in accordance with the law. This includes the right to appoint executive officers with special powers of attorney;
- (iii) to authorise the Board of Directors (and the Chairman and Chief Executive Officer on behalf thereof) to dispose of the treasury shares purchased pursuant to this resolution - or in any case those which exist within the company's portfolio - at any time, in whole or in part and in one or more tranches, by selling these in or out of the stock exchange, pursuant to and for the purposes of Article 2357-ter of the Italian Civil Code. This may also occur by means of assignment of real and/or personal rights, including but not limited to the loan of securities in compliance with the pro tempore laws and regulations in force, and for the purposes pursuant to this resolution, in line with the terms, procedures and conditions applicable to the disposal of treasury shares deemed most appropriate to the interests of the company, attributing the broadest powers for execution of the disposal transactions pursuant to the resolution, as well as any other formalities relating thereto, including any assignments to intermediaries qualified in accordance with the law. This includes the right to appoint executive officers with special powers of attorney; disposals of treasury shares held by the Company will be effected in compliance with laws and regulations in force governing the execution of orders for the trading of listed securities, including practices permitted in accordance

with Article 13 of the MAR, where applicable, and may occur in one or more tranches, timed as best suits the interests of the Company. The authorisation referred to herein is granted without time limits, and is understood to be granted with reference to treasury shares already held by Piaggio & C. S.p.A. at the date of this resolution.

At the Shareholders' Meeting, it was also established that purchases of treasury shares must be contained within the limits of the distributable profits and reserves available following the latest financial statements (including interim statements), approved at the time of execution of the transaction. It was also stipulated that, upon purchase and disposal of treasury shares, the necessary accounting entries must be made, in compliance with the provisions of the law and of applicable accounting standards.

On 29 April 2021, the Piaggio Board of Directors, following the authorisation to purchase and dispose of treasury shares resolved by the aforementioned Shareholders' Meeting, also resolved to start a treasury share purchase program for all purposes permitted by provisions in force, including those in Article 5 of the MAR, including purchasing treasury shares to then cancel them, and in practices permitted by Article 13 of the MAR.

For that purpose:

- the purchase may concern a maximum of 12,500,000 ordinary Piaggio shares with no nominal value, for a maximum value of EUR 41,196,250 and therefore within legal limits (20% of share capital, pursuant to Article 2357, subsection 3, Italian Civil Code);
- the purchase must be within the limits of profit that may be distributed and available reserves as resulting from the last (also interim) financial statements approved at the time the transaction takes place;
- the purchases will be made on regulated markets with appropriate procedures that ensure equal treatment for all shareholders pursuant to Article 132 of Legislative Decree no. 58/1998, with a gradual approach that is considered suitable for the interests of the Company and as permitted by applicable laws, according to the procedures established in Article 144-bis, paragraph 1, letter b) of CONSOB Regulation 11971/1999, as amended, and considering trading conditions as of Article 3 of Commission Delegated Regulation (EU) 2016/1052 ("Regulation 1052") implementing the MAR (i) at a price higher than the higher of the price of the last independent trade and the highest current independent bid price on the trading venue where the purchase is made; provided that the unit amount may not be less than the minimum of 20% and no greater than the maximum of 10% the arithmetic mean of official prices recorded by the Piaggio share in the ten trading days prior to each single purchase transaction; (ii) for volumes of no higher than 25% the average daily volume of Piaggio shares traded on the regulated market on which the purchase is made, calculated according to the parameters of Article 3 of Regulation 1052;
- the purchase programme may also take place in several tranches, ending by 13 October 2022.

As at 31 December 2021, the Company holds 1,045,818 treasury shares, equal to 0.292% of the share capital.

For more information on the treasury share purchase program, please refer to the minutes of the aforementioned ordinary Shareholders' Meeting and the Report of the Board of Directors available on the Company website at www.piaggiogroup.com, in the Section "Governance - Shareholders' meetings" and to the press release of 29 April 2021 available on the Issuer's website at www.piaggiogroup.com, in the Section "Press Releases"

L) MANAGEMENT AND COORDINATION ACTIVITIES (pursuant to Article 2497 et seq. of the Italian Civil Code)

The Issuer is managed and coordinated by IMMSI S.p.A. pursuant to Articles 2497 et seq. of the Italian Civil Code. That activity is performed by the procedures indicated in the specific section of the Report on Operations, to be referred to for all information.

As it is managed and coordinated by another company, the Issuer is subject to regulations in Article 16 of CONSOB Regulations on Markets. For information on the effects of that regulation of the corporate governance structure of the Issuer, please refer to paragraphs 4.2, 4.3 and 4.7.

With regard to the information required by Article 123-bis, paragraph 1, letter i), of the Consolidated Law on Finance, the Company declares that no agreements have been entered into between the Issuer and the Directors that provide for indemnities in the case of resignation, dismissal/termination without just cause, or if the employment ceases following a public offering. For further details please refer to the Remuneration Report available at www.piaggiogroup.com in the Section "Governance - Shareholders' Meeting".

For what concerns the information required pursuant to Article 123-bis, paragraph 1, letter I), first and second part of the Consolidated Law on Finance related to the “Regulations applicable to the appointment and replacement of directors, members of the management or supervisory board, and to amendments to the Articles of Association, if different to laws and regulations applicable on a supplementary basis”, they are illustrated respectively in the Report sections dedicated to the Board of Directors (Section. 4.2) and to the Shareholders’ Meeting (Section 13).

3. COMPLIANCE

The Issuer adheres to the CG Code.

The CG is available to the public on the webSite of the Corporate Governance Committee on page <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>.

It is to be noted that neither the Issuer nor strategically important subsidiaries are subject to non-Italian legal provisions affecting the corporate governance structure of the Issuer.

4. BOARD OF DIRECTORS

4.1. ROLE OF THE BOARD OF DIRECTORS (pursuant to article 123-bis, paragraph 2, letter d), of the Consolidated Law on Finance).

The Board has a central role in connection with corporate organisation and is responsible for the functions and strategic guidelines, as well as the verification of the existence of the necessary controls to monitor the performance of the Issuer and Group companies of which it is the parent company.

Pursuant to Article 17.1 of the Articles of Association and the Board of Directors’ Regulation (the “**Board of Directors’ Regulation**”), the Board is attributed the widest possible powers to manage the Company, and to that end it may pass resolutions or take any action deemed necessary or useful for achieving the Company purpose, with the exception of powers assigned by law and by the Articles of Association to the Shareholders’ Meeting.

Under Article 17 of the Articles of Association and without prejudice to the provisions of Article 2436 of the Italian Civil Code, the decision-making powers of the Shareholders’ Meeting may be delegated to the Board of Directors for resolutions concerning:

- mergers and demergers, where defined as simplified in accordance with Articles 2505, 2505-bis, and 2506-ter, final subsection, of the Italian Civil Code;
- the opening or closing of branches;
- the transfer of the registered head office within the national territory;
- which board directors are to be empowered to represent the Company legally;
- share capital reduction due to withdrawal;
- amendments to the Articles of Association to comply with laws and regulations.

Resolutions concerning the above matters may otherwise be adopted at extraordinary Shareholders’ Meetings.

As indicated in the Board of Directors’ Regulation, the Board guides the Company pursuing its sustainable success; for that purpose, it performed the following activities; (i) defines Company strategies and of its Group and monitors their implementation; (ii) defines the most functional corporate governance system to perform its business and pursue its strategies, considering the spaces of autonomy offered by the legal system and, if needed, assesses and promotes suitable amendments, submitting them to the Shareholders’ Meeting, when required; (iii) promotes, in the best way suited, the dialogue with shareholders and the other relevant stakeholders for the Company.

In particular, as indicated in the Board Regulations and in compliance with the CG Code, the Board of Directors: (a) examines and approves the strategic, industrial and financial plans of the Issuer and the group it is the parent of, and annual budgets, periodically monitoring their relative implementation; (b) examines and approves the industrial plan of the Company and its Group, which integrates the main guidelines for promoting the sustainable business model and lays the base for creation of long-term value; (c) periodically monitors the implementation of the business plan and assesses general operating performance, periodically comparing the results achieved with those planned; (d) defines the nature and level of risk compatible with the Company's strategic objectives, including in its evaluations all elements that may be relevant to the Company's sustainable success; (e) defines the corporate governance system of the Company and its Group and assesses the adequacy of the organisational, administrative and accounting structure of the Company and its subsidiaries of strategic relevance, with special reference to the internal control and risk management system (see Section 9); (f) resolves on transactions by the Company and its subsidiaries that have strategic, earnings, financial or cash-flow implications for the Company; on this point, please note that the Board has not established general criteria for identifying the transactions with a significant strategic, economic, capital or financial importance for the Company, as it believes that the significance of transactions implemented should be assessed each time. However, the subjects indicated in paragraph 10 remain the responsibility of the Board; (g) adopts, at a proposal from its Chairman, the internal procedures, also related to market abuse ((EU) Regulation 596/2014, so-called Market Abuse Regulation) (see Section 5).

Please note that, considering the current ownership and organisational structure of Piaggio, the Issuer did not decide to adopt a dialogue with shareholders policy.

Pursuant to Article 2381 of the Italian Civil Code and to Article 1, Recommendation 1, letter d) of the Corporate Governance Code, during the financial year the Board evaluated the adequacy of the organisational, administrative and general accounting structure of the Issuer and its strategic subsidiaries at least every quarter, with particular reference to the internal control and risk management system and to management of conflicts of interest, according to procedures adopted by the Issuer for this purpose. Within the framework of this activity the Board, depending on the case, was supported by the Risk Control and Sustainability Committee, the Internal Audit Supervisor, the auditing company Immsi Audit S.c.a.r.l. and the Executive in Charge of Financial Reporting as well as the procedures and checks implemented in accordance with Italian Law 262/2005.

During the year, the Board also evaluated the general trend of operations, at least quarterly, considering information received from Chief Executive Officer, periodically comparing results achieved with objectives.

On this point, please note that pursuant to Article 17.7 of the Articles of Association, the Board of Directors and the Board of Statutory Auditors are informed, during Board of Directors' meetings, also called specifically, in any case at least quarterly, by the bodies designated on activities performed by the Issuer and its subsidiaries and on the general management trend and its foreseeable evolution, on the most significant transactions in size and characteristics, with special attention for those in which Directors have a personal or third party interest or which are possibly influenced by IMMSI S.p.A.

Pursuant to Articles 17.5 and 17.6 of the Articles of Association, the Board of Directors may appoint one or more general managers, deciding their tasks and remuneration and may also set up Committees with consultation and/or proposal functions deciding their responsibilities, attributions and how they operate. For information on the Board Committees set up by the Issuer's Board of Directors, please refer to the following Sections 7.2 (Appointment Proposals Committee), 8.1 (Remuneration Committee), 9.2 (Internal Control, Risk Management and Sustainability Committee) and 10.2 (Related-Party Transactions Committee).

Moreover, pursuant to Article 17.3 of the Articles of Association, with the prior opinion of the Board of Statutory Auditors, the Board of Directors appoints and revokes the Executive in Charge of Financial Reporting, who is attributed the powers and functions established by the law and other applicable provisions, and the powers and functions established by the Board at the time of appointment or by subsequent resolution. The Board of Directors also decides the remuneration for that manager (see Section 9.6).

For more information on (i) the appointment, composition of the Board of Directors, how it operates, the role of the Chairman and executive directors, and the self-assessment, please refer, respectively, to the following Sections 4.2, 4.3, 4.4, 4.4, 4.6 and 7; (ii) for the internal control and risk management system, please refer to Section 9 of the Report. For a description of the Issuer's remuneration policy, please refer to Section I of the Remuneration Report available on the Issuer's website at the address www.piaggiogroup.com.

4.2 APPOINTMENT AND REPLACEMENT OF DIRECTORS (pursuant to Article 123-bis, paragraph 1, letter I), of the Consolidated Law on Finance)

The provisions of the Issuer's Articles of Association governing the composition and appointment of the Board (Article 12) were most recently amended by a resolution of the Issuer's Board of Directors on 28 January 2021, drafted by public deed and adopted pursuant to the provisions of Article 2365 of the Italian Civil Code and Article 17 of the Articles of Association, in order to align them with the rules on gender balance as regards the composition of the Board of Directors pursuant to Article 147-ter, paragraph 1-ter of the Consolidated Law on Finance, as most recently amended by Law 160/2019, as well as the new text of Article 144-undecies.1 of the Issuers' Regulations¹.

This paragraph therefore describes the mechanism for appointing the members of the Board as envisaged in the provisions of the Articles of Association currently in force.

The Company is administered by a Board of Directors comprising at least 7 (seven) and no more than 15 (fifteen) directors. The Shareholders' Meeting is required to determine, at the time of their appointment, the number of Board members within the aforementioned limits, as well as their term of office that may not exceed three financial years, whereafter their appointment expires as at the date of the Shareholders' Meeting called to approve the Financial Statements for the last financial year of their office. Board directors may be re-elected.

Pursuant to Article 12 paragraph 2 of the Articles of Association, persons who have not gained at least three years experience in the following may not be appointed as directors of the Company or, if appointed, shall be disqualified:

- a. administration and supervision activities, i.e. senior management tasks in joint stock companies with share capital of at least EUR 2 million; or
- b. professional activities or a tenured university position in legal, economic, financial and technical-scientific fields strictly related to company operations; or
- c. managerial functions with public bodies or the public administration sector operating in the credit, financial or insurance fields, or in any case in fields which are strictly related to the company operations.

The Directors must possess the requisites prescribed by legal regulations applicable at the time; a minimum number of Directors corresponding to the minimum required by law, must meet the independence requirements as of Article 148, paragraph 3 of the Consolidated Law on Finance.

If a Director no longer has the prescribed requisites his or her term of office shall immediately expire. If a Director falls short of the independence requisite described above his term of office does not expire if the minimum number of Directors prescribed by legal regulations still possesses such requisite.

Pursuant to Article 12.3 of the Articles of Association of the Issuer, Directors are appointed by the ordinary Shareholders' Meeting, in accordance with the pro tempore rules in force at any time concerning the balance between genders, based on the lists submitted by Shareholders in which candidates are listed with a sequential number. Each Shareholder, and those belonging to a significant shareholders' agreement pursuant to Article 122 of the Consolidated Law on Finance, the parent company, subsidiaries and entities subject to common control pursuant to Article 93 of the Consolidated Law on Finance, may not present or contribute to the presentation, not even through a third party or trust company, more than one slate, nor may they vote for different slates. The endorsements and votes cast in breach of such prohibition shall not be assigned to any list.

Only those shareholders who, alone or as a group, represent at least 2.5% (two point five percent) of the share capital, or another percentage established by legal or regulatory provisions, may nominate candidates on slates. With Executive Determination no. 60, of 28 January 2022, by the Head of Corporate Governance, CONSOB established a requirement of 1.00% (one point nought percent) of the share capital as necessary for presenting lists of candidates for election to Administrative Body of the Issuer. The lists of candidates for the office of Director must be filed by Shareholders at the registered offices, without prejudice to any additional forms of advertising and filing procedures prescribed by

¹ Paragraph 1-ter, of Article 147-ter, of the Consolidated Law on Finance in force at the date of the Report also establishes that "the less represented gender must obtain at least two-fifths of directors elected. This rule shall apply for six consecutive terms." Furthermore, pursuant to Article 144-undecies.1, paragraph 3, of the Issuers' Regulations, as last amended by CONSOB Resolution 21359, of 13 May 2020, "when the application of the gender distribution rule does not result in a whole number of members of the management or control bodies belonging to the least represented gender, such number shall be rounded up to the next higher whole unit, with the exception of corporate bodies made up of three members where it will be rounded down to the next lower whole unit."

regulatory provisions in force at any time, at least 25 (twenty-five) days before the date set for the Shareholders' Meeting in first call; for the purposes of submission of the list, ownership of the shareholding required is determined having regard to the shares registered in the name of the shareholder on the date on which the lists are filed with the Issuer; certification of the same can also be submitted subsequent to filing the list, provided that this takes place within the deadline for the publication of such lists.

Together with each list, the following shall be filed at the registered office, without prejudice to any other provisions in force at any time: (i) information concerning the identity of the Shareholders who presented the list; (ii) an abridged curriculum vitae of the candidates included in the list, containing the personal and professional details of each candidate; as well as (iii) the declarations with which single candidates accept candidacy and certify, under their responsibility, that there are no grounds for ineligibility and incompatibility, and that they meet the requirements established by laws in force and the Articles of Association for their respective positions, including any suitability to be qualified as independent. The list which does not comply with the above is considered as not presented; the lists will also be subjected to other forms of advertising established by regulations, even ad interim, in force at the time.

Each candidate may be included in one list only, under penalty of ineligibility. Without prejudice to any other ground of ineligibility or forfeiture of right, no candidates may be included in the lists who do not possess the requisites prescribed by legal regulations, the Articles of Association or other provisions applicable to their respective positions.

Pursuant to Article 12.3 of the Issuer's Articles of Association, as last amended by the BoD resolution of 28 January 2021, each list may contain a number of candidates up to the maximum number of members of the Board of Directors and, among these, at least one candidate meeting the independence requirements set out in Article 12.2 of the Articles of Association.

Lists that have a number of candidates greater than or equal to three must be composed of candidates belonging to both genders, in accordance with the current applicable regulations on gender balance.

If minority lists are presented, 1 (one) Director is appointed from these lists, as described below.

The appointment mechanism adopted for choosing candidates nominated in different slates is as follows:

- a. all the Directors but one are selected from the list that obtained the highest number of the votes in the sequential order in which they appear;
- b. the remaining director is taken from the minority slate that may not in any way, not even indirectly, be linked with the shareholders who presented or voted the slate referred to in point a) and that received the most shareholder votes, being the first candidate on the list of names.

If the minority list at point b) did not obtain a percentage of votes equal to at least half of the required percentage, pursuant to what has been stated above, for the purpose of presenting the very same list, all the Directors to be appointed will be selected from the list at point a).

Should the appointment not be ensured, with candidates elected with the above indicated methods, of a number of directors having the requisites of independence equal to the minimum number established by the law in relation to the overall number of the directors, the non-independent candidate elected last in progressive order from the list that had the highest number of shareholders' votes, mentioned in a) above, shall be substituted by the independent candidate not elected from the same list in accordance with the progressive order, or, in default, by the first independent candidate in accordance with the progressive order not elected from other lists, in accordance with the number of votes each obtained. Such substitution procedure shall take place until the Board is composed of the number of members having the requisites mentioned in Article 148 paragraph 3 of the Consolidated Law on Finance at least equal to the minimum prescribed by the law. Finally, should said procedure not ensure the last result indicated, the substitution shall take place by a resolution passed by a relative majority at a Shareholders' Meeting, subject to presentation of candidatures of persons having the above mentioned requisites.

If, in addition, with the candidates elected in the manner described above, a composition of the Board of Directors compliant with current legislation in force concerning the balance between genders is not ensured, the candidate of the more represented gender elected as last in the sequential order in the list that received the most votes shall be replaced by the first candidate of the less represented gender not elected from the same list according to the sequential order. This replacement procedure is repeated until a composition of the Board of Directors compliant with current legislation in force concerning the balance between genders has been ensured. If the aforementioned procedure does not ensure

the last result indicated above, the replacement will take place by resolution passed by the Shareholders' Meeting by relative majority subject to the presentation of candidates belonging to the less represented gender.

Pursuant to Article 12.4 of the Articles of Association, if only one list is presented or if no list is presented, the Shareholders' Meeting resolves with the majorities established by law, without applying the above procedure, save for compliance with what is established in Article 12 of the Articles of Association and regulations on gender balance applicable at the time.

If during a term of office one or more directors leave the Board, they may be replaced in accordance with Article 2386 of the Italian Civil Code as specified below, providing that the majority of the Board consists of directors appointed by the shareholders:

- (i) the Board, with the resolution approved by the Board of Statutory Auditors, appoints replacements from amongst candidates (still eligible) belonging to the same list as the Directors no longer in office, in compliance with requirements in terms of independent directors, and with regulations in force at the time on gender balance and the Shareholders' Meeting resolves, with the legal majority, meeting the same criterion;
- (ii) where no unelected candidates remain on the candidate list, or where for any reason whatsoever the provisions of point (i) above cannot be implemented, the Board is to nominate, by resolution approved by the Board of Statutory Auditors, the replacement directors, whose appointment is then to be approved by the shareholders on the basis of the majorities required by law, without the use of candidate slates.

In either case, the Board and the Shareholders' Meeting are to ensure that only candidates eligible for election under laws in force, the Articles of Association and other applicable provisions are appointed as Directors, also with regard to the regulations in force at any time concerning the balance between genders.

If a majority of the directors appointed by the shareholders leave office, the entire Board of Directors will be required to resign and a Shareholders' Meeting called by the remaining directors for the appointment of a new Board.

If one or more Directors should leave office during the year, as long as the majority is still formed by Directors appointed by the Shareholders' Meeting, the Shareholders' Meeting has the right to resolve on a reduction in the number of Board members to that of those in office for the duration of their mandate; still as long as Board composition meets legal and Article of Association requirements, and any other provisions applicable, also related to pro tempore regulations in force on gender balance and as long as (if previously elected) the Director elected from the minority list pursuant to letter b) above is still in office.

Pursuant to Article 12.7 of the Articles of Association, when less Directors were appointed than those established above, during the Board's period of office, the Shareholders' Meeting may increase that number within the maximum limit established. The other members of the Board will be appointed according to the following procedure:

- (i) the additional Directors are selected from the list that obtained the highest number of votes when appointing the members currently in office, among the candidates that are still eligible, subject to compliance with legislation in force at any time concerning the balance between genders, and the Shareholders' Meeting shall resolve, by the legally prescribed majorities, in accordance with that principle;
- (ii) if there is no one left in the aforementioned list of candidates not already elected, or the case described above with reference to Article 12.4 of the Articles of Association has occurred, the Shareholders' Meeting appoints without complying with point i), with the legal majorities, without prejudice to compliance with the gender balance pro tempore regulations in force.

Pursuant to the Articles of Association, the outgoing Board may not present a list.

The Board must also meet requirements established in Article 16, paragraph 1, letter d) of the CONSOB Regulations on Markets which establishes that – for companies managed and coordinated by another Italian company with shares listed on regulated markets – the Board must be composed of a majority of independent Directors pursuant to that provision.

For more information on the above provisions, please refer to the Articles of Association available on the Company website www.piaggiogroup.com in the Section “Governance/Documents and procedures” and with the “eMarket Storage” authorised storage mechanism available at www.emarketstorage.com.

For what concerns information on the Board of Directors and Board Committees in self-assessment, appointment and director succession processes, please refer to Report Section 7 below.

4.3. COMPOSITION (as per article 123-bis, paragraph 2, letter d) and d-bis, Consolidated Law on Finance)

In compliance with CG Code Principles, the Board is composed of executive and non-executive directors, all with suitable professionalism and competences for the tasks assigned to them (Principle V); the number and competences of non-executive directors guarantee significant weight board resolutions are made and guarantee effective monitoring of management, and it is composed of a majority of independent directors pursuant to Article 16 of the CONSOB Regulations on Markets, all as specified below.

On 14 April 2021 the mandate of the Board of Directors appointed by the Shareholders’ Meeting of 16 April 2018 for the 2018-2020 three-year period expired hence, until approval of the financial statements as at 31 December 2020.

Directors in office until the ordinary Shareholders’ Meeting held on 14 April 2021 were:

- Roberto Colaninno (Chairman and Chief Executive Officer);
- Matteo Colaninno (Deputy Chairman);
- Michele Colaninno (Executive Director);
- Federica Savasi (Non-executive Director);
- Patrizia Albano (Independent Director);
- Graziano Gianmichele Visentin (Independent Director);
- Maria Chiara Carrozza (Independent Director);
- Giuseppe Tesauro (Independent Director);
- Andrea Formica (Independent Director).

On 14 April 2021, having established the number of Board of Director members as nine, the Shareholders’ Meeting appointed the directors in office at the balance sheet date and the date of the Report for the 2021-2023 three-year period and until approval of the financial statements as at 31 December 2023, based on lists presented by shareholders.

Three lists were presented at the Shareholders’ Meeting of 14 April 2021:

- the list presented by the majority shareholder IMMSI S.p.A., representing 50.07% of the share capital of Piaggio (the “**Majority List**”), which:
 - included the following candidates: Roberto Colaninno; Matteo Colaninno; Michele Colaninno; Graziano Gianmichele Visentin; Rita Ciccone; Patrizia Albano; Federica Savasi; Giuseppe Tesauro; Maria Chiara Carrozza. Please note that after the Majority List had been presented, Ms Maria Chiara Carrozza notified that she was no longer available for the role of Director for personal reasons; IMMSI S.p.A. then made the proposal to resolve on Ms Micaela Vescia as the ninth member of the Board of Directors.
 - it obtained 179,328,621 votes, equal to 60.991% of the voting capital (the proposal to resolve on Ms Micaela Vescia as the ninth member of the Board of Directors obtained 185,398,856 votes, equal to 90.334% of voting capital)

- the list presented by the shareholder Diego della Valle & C. S.r.l. representing 5.539% of the share capital of Piaggio, which:
 - included the candidate Mario Cognigni
 - obtained 25,909,173 votes, equal to 8.812% of share capital represented in the Shareholders' Meeting;
- the list presented by a group of investors, representing 2.74826% of the share capital of Piaggio (the "**Minority List**"), which:
 - included the following candidates: Andrea Formica and Stefania Mancino.
 - obtained 87,910,459 votes, equal to 29.899% of share capital represented in the Shareholders' Meeting.

For more details on the candidates and the lists deposited to appoint the administrative body, please refer to the Issuer's institutional website www.piaggiogroup.com in the Section "Governance – Shareholders' Meeting", where you can also find the curricula of Directors illustrating their professional characteristics in compliance with Article 144-decies of the CONSOB Regulation on Issuers.

The directors in office as at the balance sheet date and the date of the Report are²:

- Roberto Colaninno (Chairman and Chief Executive Officer);
- Matteo Colaninno (Deputy Chairman);
- Michele Colaninno (Executive Director);
- Federica Savasi (Non-executive Director);
- Patrizia Albano (Independent Director);
- Graziano Gianmichele Visentin (Independent Director);
- Rita Ciccone (Independent Director);
- Micaela Vescia (Independent Director);
- Andrea Formica (Independent Director).

Further information on the composition of the Board of Directors at the balance sheet date is reported in Table 2 in Annex 1 to the Report.

Please note that as at the balance sheet date and up until the date of the Report there were no changes in the Board composition.

The shareholders have not authorised exceptions to the ban on competition contemplated in Article 2390 of the Italian Civil Code.

Criteria and diversity policies in the Composition of the Board and the company organisation

For what concerns the company diversity policies applied related to the composition of the Board of Directors (as at the balance sheet date and at the date of the Report) related to aspects such as age, gender, and education and professional path (Article 123-bis, letter d-bis), of the Consolidated Law on Finance), please be reminded that the Board of Directors in office until 14 April 2021 specified in the report prepared pursuant to Article 125-ter of the Consolidated Law on Finance, related to appointment of the Board of Directors by the Shareholders' Meeting called to approve the financial statements as 31 December 2020, its guidelines on the best quantitative and qualitative composition (also in compliance with Recommendation 23 of the Corporate Governance Code, though aimed at companies differing to Concentrated Ownership Companies such as Piaggio) and some indications for shareholders on diversity in the composition of the administrative Body (also pursuant to Principle VII and Recommendation 8 of the Corporate Governance Code).

In particular, in its meeting of 2 March 2021, the Company's Board of Directors defined, at a proposal from the Appointment Proposals Committee and considering the self-assessment results, guidelines on its quantitative and qualitative composition considered optimal, and on diversity in the composition of the Board of Directors, providing the following indications:

- considering the size and activities of the Company, the number of Directors of the current board (9) is considered adequate;
- it has the professional requisites set out in Article 12.2 of the Articles of Association;
- in compliance with regulations on gender balance, at least two fifths of the elected Directors (rounded up if required), shall be of the least represented gender;

² Directors Roberto Colaninno, Matteo Colaninno, Michele Colaninno, Graziano Gianmichele Visentin, Rita Ciccone, Patrizia Albano and Federica Savasi were taken from the Majority List. Micaela Vescia was appointed based on the candidacy proposal presented by IMMSI S.p.A. Andrea Formica was taken from the Minority List.

- by virtue of the provisions of Article 16 of the Regulations on Markets, the majority of Directors must meet the requirements of independence pursuant to law and the Corporate Governance Code for listed companies in order to guarantee correct composition of the Committees: possession of the requisites of independence must be assessed mainly with regard to aspects of substance, also taking into due consideration the importance of continuity in the company's business;
- as regards the policies on diversity (Article 123-bis, letter d-bis of the Consolidated Law on Finance) and in order to facilitate the understanding of the organisation of the Company and its activities, as well as the development of an efficient governance of the same, without prejudice to the legal requirement regarding gender balance, it is appropriate that: (a) the Board is characterised by the diversity of its members; and (b) the educational and professional career of Directors guarantees a balanced combination of profiles and experiences, suitable to ensure the correct performance of its functions;
- it is up to each candidate to evaluate the compatibility of the appointment as Director of the Company with any additional offices of director and statutory auditor in other companies listed on regulated markets, or companies of significant size;
- with regard to the balance between executive and non-executive members, it is considered that (a) Executive Directors should be granted broad management powers and should have previous experience in the management of listed companies of comparable size, type of activity and complexity; (b) all the other Directors should be non-executive pursuant to the Corporate Governance Code, also with a view to ensuring their profitable contribution to the company's strategic decisions, especially with reference to potential situations of conflict of interest.

For further information, please refer to the report on appointment of the administrative body prepared by the Shareholders' Meeting of 14 April 2021 published on the Issuer's website www.piaggiogroup.com in the Section "Governance – Shareholders' Meeting".

As regards the composition of the Board of Directors in office: (i) the Company's Board of Directors has 4 Directors belonging to the less represented gender, in compliance with gender balance regulations in force which establish that at least two fifths of the Board of Directors must belong to the less represented gender (rounded up to the higher unit) (see Article 144-undecies, paragraph 1, of the CONSOB Regulation on Issuers); (ii) the Board stands out for the age diversity of its members, considering that the age of Directors goes from 46 to 80; (iii) the educational and professional backgrounds of the directors ensure a balanced combination of member profiles and experiences within the administrative body, with members selected in order to ensure that all functions thereof are executed correctly.

Please note that the Company promotes inclusion, equal treatment and opportunities for genders in the company organisation, as set forth in its Code of Ethics and the Corporate Social Responsibility Report (both available on the Issuer's website www.piaggiogroup.com, Section "Governance/Code of Ethics" and Section "Financial Statements and Reports").

Maximum accumulation of offices held in other companies

The Company did not consider it necessary to establish general criteria on the maximum number of administration and control positions held in other companies which could be considered compatible with effectively performing the role of Director in the Issuer (also considering that the CG Code only recommends definition of guidelines on the maximum number of positions in the administrative bodies of Large Companies), without prejudice to the duty of each Director to assess the compatibility of director and statutory auditor positions, held in companies listed on regulated markets or if a relevant size, with diligently performing tasks undertaken as Director of the Issuer.

In the meeting of 2 March 2022, the Board, after reviewing positions currently held by its Directors in other stock companies, considered that the number and type of positions held does not interfere with effectively carrying out duties as Director of the Issuer.

With reference to the offices assumed by the Issuer's Directors in the Parent Company IMMSI S.p.A., the majority of the Issuer's Board members do not hold administrative and management appointments in IMMSI S.p.A. and in the group of which it is parent company.

The list of the companies in which each director holds management or control appointments as of December, indicating whether the company in which they hold the appointment forms part or not of the Group of which the Issuer is parent company or forms a part.

Here below please find the positions held by Directors in office at the date of the Report.

FULL NAME	COMPANY	MANAGEMENT AND CONTROL POSITIONS HELD IN PUBLIC COMPANIES
Roberto Colaninno	Ominiaholding S.p.A.*	Chairman of the Board of Directors
	Ominiainvest S.p.A.*	Chairman of the Board of Directors
	IMMSI S.p.A.*	Chairman of the Board of Directors
	Piaggio Fast Forward Inc.*	Member of the Advisory Board
	RCN Finanziaria S.p.A.*	Director
	Intermarine S.p.A. *	Director
Matteo Colaninno	Ominiaholding S.p.A.*	Deputy Chairman and Chief Executive Officer
	Ominiainvest S.p.A.*	Director
	IMMSI S.p.A.*	Director
Michele Colaninno	Ominiaholding S.p.A.*	Chief Executive Officer
	Ominiainvest S.p.A.*	Chief Executive Officer
	IMMSI S.p.A.*	Chief Executive Officer and General Manager
	ISM Investimenti S.p.A.*	Chairman of the Board of Directors
	Piaggio Fast Forward Inc.*	Chairman of the Board of Directors
	ACEM (Association des Constructeurs Européens de Motocycles)acem	Deputy Chairman
	RCN Finanziaria S.p.A.*	Director
	Intermarine S.p.A.*	Director
	Is Molas S.p.A.*	Director
IMMSI Audit S.c. a r.l. *	Director	
Graziano Gianmichele Visentin	21 Investimenti SRG S.p.A.	Director
	Air One S.p.A.	Statutory Auditor
	Centomilacandele Scpa in liquidazione	Statutory Auditor
	Coima SGR S.p.A.	Statutory Auditor
	Compagnia Aerea Italiana S.p.A.	Statutory Auditor
	Eurostazioni S.p.A.	Statutory Auditor
	H - Farm S.p.A.	Statutory Auditor
	Ricerca 12 S.p.A.	Statutory Auditor
	Ricerca Finanziaria S.p.A.	Statutory Auditor
	PLC S.p.A.	Director
Whirpool Italia S.r.L.	Sole statutory auditor	
Rita Ciccone	Farmacie Italiane S.r.l.	Chairman
	F2i Porti S.r.l.	Chairman
	FHP1 S.p.A.	Chairman
	FHP2 S.p.A.	Chairman
	F2i Holding Portuale S.p.A.	Director
	MarterNeri S.p.A.	Director
	Compagnia Ferroviaria Italiana S.p.A.	Director
	F2i Ligantia S.p.A.	Director
	F2i Smeralda S.p.A.	Director
	Geasar S.p.A.	Director
	2i Aeroporti S.p.A.	Director
	Sagat S.p.A.	Director
	F2i Re S.p.A.	Director
	ReLife S.p.A.	Director
	Irideos S.p.A.	Director
	Persidera S.p.A.	Director

* La società rientra nel Gruppo di cui è parte l'Emittente.

FULL NAME	COMPANY	MANAGEMENT AND CONTROL POSITIONS HELD IN PUBLIC COMPANIES
Patrizia Albano	Artemide Group S.p.A.	Statutory auditor
	Artemide S.p.a.	Statutory auditor
	Artemide Italia S.r.l.	Chairman of the Board of Statutory Auditors
	Fineco Bank S.p.A.	Independent Director
	Edison S.p.A.	Alternate auditor
	FiocchiMunizioni S.p.A.	Chairman of the Supervisory Body
Micaela Vescia	Metro 5 S.p.A.	Board Director
Andrea Formica	Nuovo Tridente s.r.l.	Shareholder and Director
Federica Savasi	Is Molas S.p.A.*	Director

Induction Programme

In line with provisions in the Corporate Governance Code on each Director performing his/her role effectively in an aware manner, the Chairman and Chief Executive Officer promotes the continual updating of Directors and Statutory Auditors on the company and the market, and the main legislative and regulatory novelties concerning the Issuer and its Group.

In particular, during the Financial Year the subjects in Article 3 of Recommendation 12, letter d) of the Corporate Governance Code (that is in-depth analyses on the sector the Issuer operates in, on company dynamics and their evolution, in view of the company's sustainable success, on the principles of correct risk management, and on the regulatory and self-regulation framework of reference) were discussed regularly during meetings of the Internal Control, Risk Management and Sustainability Committee and then submitted during Board meetings.

The Chairman and Chief Executive Officer of the company has also ensured, also through the meeting with the top management of the company and the Directors, that the latter obtained detailed information and explanations on the activities and projects of the group controlled by the Issuer, as well as on the regulatory and self-regulatory reference framework.

During the year, directors and statutory auditors were also able to improve their knowledge (i) of the automotive sector by taking part in board meetings that discussed topics related to company dynamics and their evolution, like those approving investments; (ii) of the legislative, regulatory and self-regulation framework of reference by taking part in the Board meeting of 25 June 2021 in which, after learning about the novelties made to the Related Parties Regulation (in order to adopt, also at secondary regulation level, the contents of (EU) Directive 2017/828, so-called "Shareholders' Right Directive"), the Board adjusted its Related Parties Procedure for the aforementioned novelties; whereas in the meetings of 2 March 2021 and 2 March 2022 some in-depth analysis was carried out on recommendations contained in the new edition of the Corporate Governance Code.

Company management also worked on a continual basis with company boards as regards information flows and/or updates on issues of interest.

* The company belongs to the same Group as the Issuer.

4.4. OPERATION OF THE BOARD OF DIRECTORS (pursuant to article 123-bis, section 2, letter d), Consolidated Law on Finance)

The Company is managed by directors who perform the operations needed to implement the corporate purpose.

Pursuant to Recommendation 11 of the Corporate Governance Code, in its meeting of 2 March 2021, the Board of Directors approved adoption of its own internal regulation, the BoD Regulations, in order to regulate how the Board itself operates, including the minuting of meetings and procedures for managing information to directors, to integrate statutory provisions and what is set forth in laws and regulations.

With reference to how meetings are called and minuting board meetings, Article 14, paragraphs 1 and 2, of the Articles of Association and the BoD Regulations, provide that the Board be called by the Chairman - or a person acting on his behalf - by letter sent, also by fax or other suitable means of communication, to the domicile of each Director and standing Auditor, at least 3 (three) days before the date fixed for the meeting. In urgent circumstances, Board meetings may be called by telegram, fax, electronic mail or other electronic means at least twenty-four hours before the meeting date.

In the event of failure to formally convene a meeting, the meetings of the Board shall be considered validly constituted when all the members of the Board of Directors and the Board of Statutory Auditors are present.

Board meetings are chaired by the Chairman or, in his absence or disability, by the deputy chairman or, where two or more deputy chairmen are appointed, by the longest serving deputy chairman or, where their length of service is equivalent, by the most senior of the deputy chairmen, in terms of age.

Pursuant to Article 14.4 of the Articles of Association and BoD Regulations, Board meetings are held at the registered office of the company or at another venue, provided it is located in Italy. Meetings may be called whenever deemed necessary by the Chairman, or person acting on his behalf in accordance with the Articles of Association, or when requested by the Chief Executive Officer, if appointed, or by at least three Board members, without prejudice to the power to call Board meetings granted to other parties in accordance with law. Attendees may participate in Board of Directors' meetings remotely via the use of audiovisual links (video or teleconferencing). In this case, each of the participants must be identifiable, and each assured the possibility of speaking and voicing their views in real time and of receiving, transmitting and viewing any documentation not provided in advance; It must also be assured that examinations, addresses and resolutions are conducted live, without delays. The Directors and Statutory Auditors connected by a long-distance network must be able to avail of the same documentation distributed to those attending the meeting at the official meeting venue. The meeting of the Board of Directors is deemed to have been held at the place where the Chairman and the Secretary are located and must work jointly.

Pursuant to Article 15 of the Articles of Association and the BoD Regulations, a majority of serving Board members is required at meetings for any resolutions taken by the Board of Directors to be valid. Resolutions are passed with the majority of the voting members, excluding any abstainers. In the case of a tie, the vote of the person chairing the meeting prevails. Voting must be conducted by open vote. In compliance with BoD Regulations, Board resolutions must be reported in minutes transcribed in the specific book, signed by the meeting Chairperson and by its Secretary

The BoD Regulations also regulate the Board secretary is appointed, establishing - in compliance with Recommendation 18 of the Corporate Governance Code - professional requirements and relative attributions (for further details please refer to paragraph 4.5).

The BoD Regulations also regulate management of pre-board meeting information: The Chairman of the Board of Directors ensures that adequate information regarding items on the agenda is made available to all Directors. In particular this information is provided in a suitable way, so as to enable Directors to make informed decisions on the matters submitted to them, with draft documents requiring approval provided well in advance, excepting cases of demonstrated urgency. In particular, the Issuer will usually send the most relevant material at least 48 (forty-eight) hours in advance of the board meeting. This time-frame is considered appropriate by all Directors and has normally been observed.

If the Chairperson, or whoever is taking their place, deems it appropriate in relation to subject and the resolution in question, informative documentation may be provided directly during the meeting, giving prior notice to the members of the Board of Directors within 48 (forty-eight) hours. In addition, the Chairman, with the support of the Secretary,

ensures that adequate and timely information is provided during the Board meeting and the supporting documentation distributed to the Directors and Auditors is kept in the Board's files.

The Chairman of the Board of Directors ensures that sufficient time is allocated to discuss items on the agenda, so that all board directors may intervene, guaranteeing constructive debate during board meetings.

Directors accept office when they believe they can dedicate the time needed to diligently performing their tasks; also considering the commitment connected to their jobs and professions and the number of positions held in other companies or bodies (even foreign). During the year, directors ensured availability for the time needed to perform their tasks for the position held in the Company.

For information on the participation of each director in meetings held during the year please refer to Table 2 in Annex 1 to the Report.

9 Board meetings were held during the financial year. Specifically, the Board of Directors met on the following dates: 28 January 2021, 25 February 2021, 02 March 2021, 15 April 2021, 29 April 2021, 25 June 2021, 30 July 2021, 1 October 2021, 29 October 2021.

On average, meetings lasted 1.5 hours.

Besides members of the Board of Statutory Auditors, the following also took part in Board meetings, the Executive in Charge of Financial Reporting to provide information on the internal control and risks management system, as well as Issuer managers to provide information on topics on the agenda each time.

For the current year, besides the meetings held on 20 January 2022 (approval of the budget), 4 February 2022, 21 February 2022 (impairment test) and 2 March 2022 (approval of the financial statements for the year and the consolidated financial statements as at 31 December 2021), at least another three meetings are indicated in the Calendar of the main corporate events for financial year 2022 (already notified to the market and Borsa Italiana S.p.A. as prescribed in regulations on 26 January 2022) available, in Italian and English, on the Issuer's institutional website www.piaggiogroup.com, in the Section "Investors - Financial Events Calendar", and in authorised storage mechanism called "eMarket Storage" at www.emarketstorage.com.

Please note that, in order to ensure the continuity and regularity of information to the financial community, the Company resolved to continue publishing the quarterly information, on a voluntary basis, adopting, until resolved otherwise, the communication policy detailed in the press release of 15 December 2016 available on the Issuer's website www.piaggiogroup.com, and in the authorised storage mechanism "eMarket Storage" viewable at the web address www.emarketstorage.com.

4.5. ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS (pursuant to article 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance)

In accordance with Article 13 of the Articles of Association, the Board of Directors is required to elect a chairman from its members, where no such appointment is made by the shareholders. The Board may also elect one or more deputy chairmen.

On 15 April 2021 the Board of Directors confirmed (i) Roberto Colaninno as Chairman and Chief Executive Officer, and (ii) Matteo Colaninno as Deputy Chairman.

And appoints a Secretary, who may also be a non-member of the Board.

On 15 April 2021, the Board appointed Fabio Grimaldi, fiscal, legal and corporate manager, as Board secretary until the administrative body mandate expires.

Pursuant to BoD Regulations, Board meetings are chaired by the Chairman or, if absent or unavailable, by the sole Deputy Chairman, or, with several Deputy Chairmen, the oldest position term held by those present and, with equal term of position, the oldest in age.

In compliance with BoD Regulations and with Recommendations in the CG Code, during the year, the Chairman managed:

- a. the suitability of pre-board meeting information, and the supplementary information provided during the meetings, to enable directors to take action in an informed way when performing their roles as described in paragraph 4.4. of the Report;
- b. the coordination of board committee activities (with investigative, proposal and consultation functions) with Board activities;
- c. the presence at board meetings – even at the request of single directors – of managers of the Issuer and Group companies, heads of company functions responsible for the subject, to provide in-depth analysis of items on the agenda as specified in paragraph 4.4. of the Report;
- d. the participation of members of administration and control bodies, after appointment and during the mandate, in initiatives to provide them with suitable knowledge of the sectors the Issuer operates in, of business dynamics and their development, with the Issuer's sustainable success in mind, and the principles of correct risk management and the regulatory and self-regulation framework of reference, as specified in paragraph 4.3 (induction programme);
- e. the adequacy and transparency of the Board's self-assessment process, supported by the Appointment Proposals Committee, as established in paragraph 7 of the Report.

Pursuant to the BoD Regulations, the Chairman ensures that the administrative body is informed, by the first available meeting, of the development and contents of the significant contents of the dialogue with shareholders. For that purpose, he may be assisted by the head of the Investor Relations Function. For further details please refer to Section 12.

Board Secretary

Pursuant to article 13 of the Articles of Association and the BoD Regulations, the Board may appoint a Secretary who need not be a Board member. The Secretary is appointed and revoked with a Chairman proposal.

On 15 April 2021, the Board appointed Fabio Grimaldi, fiscal, legal and corporate manager, as Board secretary until the administrative body mandate expires.

In virtue of what is set forth in the BoD Regulations, the Secretary holds adequate professional and experience requirements, preferably acquired in roles of responsibility in functions related to corporate, legal or business areas. The Secretary also holds independent judgement requirements and is not involved in any conflicts of interest. The Secretary supports the activities of the Chairman and for that purpose makes sure:

- a. pre-board meeting information and the supplementary information provided during the meetings can enable directors to take action in an informed way when performing their roles;
- b. that the activities of board committee with investigative, proposal and consultation functions is coordinated with the administrative body's activities;
- c. in agreement with the Chief Executive (if not the Chairman), that Company managers and those of its Group companies, responsible for the competent corporate functions base don the subject, take part in board meetings, also at the request of single Directors, to provide in-depth information on items on the agenda;
- d. that all members of administration and control bodies can take part, after appointment and during the mandate, in initiatives to provide them with suitable knowledge of the sectors the Issuer operates in, of business dynamics and their development, with the Issuer's sustainable success in mind, and the principles of correct risk management and of the regulatory and self-regulation framework of reference, with the collaboration of the (Lead Independent Director);

The Secretary provides impartial assistance and consultancy to the Board on all relevant aspects for the corporate governance system to operate correctly.

If he/she should be absent or unavailable, the tasks are entrusted to another person designated each time by the Chairman of single meetings.

During the Year, as Board Secretary, Fabio Grimaldi, supported the activities of the Board Chairman and provided assistance and consultancy to the Board impartially on all aspects relevant for the corporate governance system to operate correctly, and performing tasks attributed as defined above.

4.6. EXECUTIVE DIRECTORS

Chairman of the Board of Directors and Executive Directors

With resolutions of 15 April 2021, the Board resolved to attribute the position of Chairman and Chief Executive Officer to Roberto Colaninno.

The Board Chairman and Chief Executive Officer:

- a. is the main person responsible for the Issuer's management (Chief Executive Officer) and
- b. is not the Issuer's controlling shareholder.

Under the Articles of Association, the Chairman of the Board of Directors is vested with the power and capacity to chair Shareholders' Meetings (Article 9), to call Board meetings (Article 14), to represent the company legally before third parties and at law, and to act as signatory for the company (Article 23).

The Chairman and Chief Executive Officer is attributed all powers of ordinary and extraordinary administration, excluding powers attributed to the Director Michele Colaninno and described below (different to those in point b) ii) which are considered as included in the powers of the Chief Executive Officer), of powers reserved by law or statutory provision, and through Board resolution of 15 April 2021, to the joint responsibility of the administrative body, such as:

- a. acquisition or disposal of investments in companies, enterprises or business branches;
- b. conclusion and amendment of financing facilities stipulated in any form with an amount exceeding EUR 25 million;
- c. granting of secured guarantees on assets and personal guarantees for third party obligations, other than those granted in the interest of directly or indirectly controlled companies;
- d. transfer of trademarks, patents and intellectual property rights, as well conclusion of licence contracts related to them, where the amount or value exceeds EUR 2.5 million;
- e. conclusion and amendment of agreements of a multi-year commercial nature, including joint ventures, that do not fall within the scope of the Company's ordinary operations;
- f. purchase and sale of real estate;
- g. other operations of extraordinary administration with an amount exceeding EUR 50 million;
- h. with no prejudice to what is established in previous points, transactions finalised with related parties, as defined pursuant to laws in force and the procedure on related party transactions adopted by the Company, with no prejudice to application of the exceptions foreseen by those provisions and the procedure itself;
- i. appointment of the company's general manager and manager of the administration, finance and control division;
- j. appointment of members of administrative bodies and the general managers of companies controlled directly and appointment proposals for members of the administrative bodies of companies controlled indirectly.

Furthermore, on 15 April 2021 the Board of Directors attributed the following powers to Michele Colaninno:

- a. delegation to operate in developing Group activities, with the power to identify projects and initiatives, of a strategic, industrial and commercial nature, together with their implementation instruments, to be submitted for Board approval, as well as the resulting power to develop and execute those projects and initiatives approved by the Board of Directors;
- b. delegation to operate for product and marketing strategies with the power to: i) manage and coordinate the following company functions worldwide, involved in the product strategy creation and development process: marketing and communication, product marketing, design and racing; ii) negotiate and stipulate trademark licence contracts in the name and on behalf of the Company whose value (considered as the total fee for granting the licence or licences purpose of a single contract) does not exceed EUR 2.5 million per single contract, and sign and finalise all documents functional to stipulating the aforementioned contracts.

Deputy Chairman

On 15 April 2021, the Board attributed to the Deputy Chairman, Matteo Colaninno, the powers pursuant to applicable legal provisions and the Articles of Association.

Executive Committee

The Board of the Issuer has not established an Internal Executive Committee.

Information for the Board from directors /delegated bodies

During the Year, the Chief Executive Officer and the other directors delegated reported suitably and in a timely manner, at least every quarter, to the Board on activities performed to exercise the powers attributed to them, that is in a way that enabled Directors to express themselves knowledgeably on subjects submitted for their examination each time.

Other executive directors

There are no other executive directors aside from Roberto Colaninno and Michele Colaninno.

4.7. INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTOR

Independent Directors

The Board has a majority of independent and non-executive directors who, in number and authority, can significantly influence the board decisions of the Issuer, and are suited to company needs, to Board operations and to constitute the relative committees. The non-executive and independent directors bring their specific competencies to board discussions, contributing to the making of decisions that conform to corporate interests. Please note the Chairman of the Board has not been qualified as independent.

Please also note that, in order to exclude the potential risks limiting the Issuer's management autonomy, which could lead, in particular, to an overlapping of the administrative bodies of the Issuer and the parent company IMMSI S.p.A.: (a) in the Board of the Issuer currently in office there are 2 (two) non-executive Directors, Matteo Colaninno and Federica Savasi and 5 (five) independent, non-executive Directors, Graziano Gianmichele Visentin, Patrizia Albano, Rita Ciccone, Micaela Vescia and Andrea Formica; (b) the majority of the members of the Issuer's Board does not hold administrative and management positions in IMMSI S.p.A. and the group in which it is the parent company.

The presence of independence requirements pursuant to Article 148, paragraph 3, letters b) and c) of the Consolidated Law on Finance, Article 16, paragraph 1, letter d) of the CONSOB Regulations on Markets and Article 2 of the CG Code of the independent Directors currently in office was checked in the Board meeting of 15 April 2021 following appointment by the ordinary Shareholders' Meeting of the Directors currently in office (controls notified to the market on the same date) and, recently, in the Board meeting of 2 March 2022, based on the independence declarations made in February 2022 issued by the directors being assessed (i.e. Graziano Gianmichele Visentin, Patrizia Albano, Rita Ciccone, Micaela Vescia and Andrea Formica). Assessing all circumstances that could compromise the independence identified by the Consolidated Law on Finance and by the CG Code, and applying all criteria established by the CG Code concerning director independence, the Board also expressed a positive assessment of the composition of the Board of Directors, with its independent Director majority, as imposed by reference regulations and considering the independence requirements established by Recommendation 7 of the Corporate Governance Code. On this point, each non-executive director provided all the elements needed or useful for Board assessments.

In this composition, the Board also meets the requirements of Article 16, paragraph 1, letter d), of CONSOB Regulations on Markets that establish, for companies subject to the management and coordination of another Italian company

listed on regulated markets, the requirement of a Board to have a majority of members consisting of independent Directors pursuant to the above Regulations.

In accordance with the declarations of independence made by the Independent Directors, they have committed to maintain their independence for the duration of their term of office, and to promptly inform the Board of Directors of any situations that may affect such status. Pursuant to Article 12, paragraph 2 of the Articles of Association of the Issuer, if a Director no longer qualifies for independent status as required by Article 148, paragraph 3 of the Consolidated Law on Finance, the Director will remain in office if the minimum number of Directors indicated by law still have independent status.

Please note that the Board of Directors will assess the possible adoption, during year 2022, of quantitative and/or qualitative criteria to be used to assess the significance of relationships being examined for Director independence purposes, in compliance with the provisions of the Consolidated Law on Finance and the recommendations of the CG Code.

During the year, the Board of Statutory Auditors checked the correct application of assessment criteria and procedures adopted by the Board to assess the independence of its members; moreover, in the shareholders' meeting report of 14 April 2021 the Board of Statutory Auditors declared "it had checked the independence requirements of its members, and the correct application of criteria and procedures adopted by the Board to assess Director independence".

During the year the Independent Directors in office until the ordinary Shareholders' Meeting held on 14 April 2021 did not meet without the other directors. The Independent Directors currently in office met, without the other directors, on 28 December 2021; in their areas and prerogatives they discussed topics linked to sustainability and assessment of the adequacy of the administrative structure and internal controls. The meetings were coordinated by the Lead Independent Director in office at the date of the Report.

Lead independent director

On 15 April 2021, the Board designated the non-executive independent director, Graziano Gianmichele Visentin, as Lead Independent Director pursuant to the CG Code. In compliance with BoD Regulations and the CG Code, the Lead Independent Director represents the reference and coordination point for the instances and contributions of the independent Directors and the non-executive ones and collaborates with the Chairman so that the Directors are receive full, prompt information flows, also by organising specific induction activities. In addition, the Lead Independent Director coordinates meetings of the independent directors only and has the authority to convene meetings to discuss issues deemed of interest with respect to the operation of the Board of Directors or the management of the Company. The Lead Independent Director Graziano Gianmichele Visentin, holds the office of Chairman of the Appointment Proposals Committee, of the Related Party Transactions Committee and of the Internal Control, Risk Management and Sustainability Committee (see Sections 7.2, 10 and 9.2).



5. MANAGEMENT OF CORPORATE INFORMATION

During 2016, the Company, adjusting to community regulations on market abuse ((EU) Regulation 596/2014 of the European Parliament and Council of the European Union of 16 April 2014, so-called Market Abuse Regulation (“MAR”) and relative execution and implementation rules of the European Commission) and in order to monitor the access and circulation of privileged information before its disclosure to the public, to ensure compliance with the confidentiality obligations established by laws and regulations, and to regulate internal management and outgoing communication of that information, adopted, coming into effect on 3 July 2016, the “Procedure for communicating Privileged Information to the General Public”, the “Procedure for management of the Registers of Persons with access to the Privileged Information” and the “Procedure for the fulfilment of Internal Dealing obligations”.

On 25 June 2021, at a proposal from the Chairman, the Board updated the “Procedure for the fulfilment of Internal Dealing obligations”.

Those procedures are available on the Issuer’s institutional website www.piaggiogroup.com in the Section “Governance - Market Abuse”.

5.1. PROCEDURE FOR THE DISCLOSURE OF INSIDE INFORMATION

The Procedure was adopted by Piaggio & C. S.p.A. in compliance with the provisions of Article 17 of the MAR and the associated European Commission implementing standards. It governs the provisions and procedures relating to the internal management and external disclosure of inside information (as defined in Article 7 of the MAR) and Confidential information (as defined in the Procedure) concerning the Issuer and its subsidiaries.

In particular, inside information must be disclosed in apposite communications prepared jointly by the Legal & Corporate Affairs department, the External & Media Relations department and the Investor Relations department; the press release text must be submitted to the Chairman of the Board of Directors or the Chief Executive Officer, and if deemed advisable or necessary, to the Board of Directors, for final approval before certification and external disclosure. If the information contained therein refers to accounting data, the text must also be submitted to the Executive in Charge of Financial Reporting, pursuant to and for the purposes of Article 154-bis of the Consolidated Law on Finance. The purpose of the procedure is to ensure compliance with applicable legal and regulatory provisions and to guarantee the utmost confidentiality of inside information; Specifically, the Procedure is designed to ensure greater transparency with the market and adequate preventive measures against market abuse and, in particular, against insider trading.

5.2. PROCEDURE FOR MANAGEMENT OF THE REGISTER OF PERSONS WHO HAVE ACCESS TO INSIDE INFORMATION

Article 18 of the MAR and associated implementing standards of the European Commission regulations establish the obligation for “issuers, or persons acting on their behalf or for their account” to draw up, manage and update a register of persons who have access to inside information as defined in Article 7 of the MAR.

Pursuant to Article 7 of the MAR, inside information is “information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments”.

The obligation to establish and maintain the register are aimed at encouraging operators to pay more attention to the value of inside information and, therefore, to stimulate the establishment of adequate internal procedures for monitoring their circulation prior to dissemination to the public.

5.3. PROCEDURE FOR THE FULFILMENT OF INTERNAL DEALING OBLIGATIONS

The procedure governs the disclosure requirements for transactions involving financial instruments carried out by relevant persons, as identified in the same procedure, to ensure greater transparency with the market and adequate preventive measures against market abuse and, in particular, against insider trading.

The procedure is adopted by Piaggio adopting the regulations contained in Article 19 of the MAR, as amended and integrated.



6. COMMITTEES WITHIN THE BOARD

(pursuant to Article 123-bis, paragraph 2, lit. d), Consolidated Law on Finance)

As established by the CG Code, the Board of Directors may establish internal committees with investigation, proposal and consultation functions, on appointments, remuneration and control and risks, and on other areas deemed of importance for the Company, which are assigned the task of supporting the Board when performing its role.

The Board Committees established are the Appointment Proposal Committee (see. Section 7.2 of the Report), the Remuneration Committee (see. Section 8.2 of the Report), the Internal Control, Risk Management and Sustainability Committee (see Section 9.2 of the Report) and the Related Party Transactions Committee (see. Section 10 of the Report), as set forth in Recommendation 16 of the Corporate Governance Code.

The following committees were in office until 14 April 2021, and composed as follows:

Appointment Proposal Committee	Giuseppe Tesaro (Chairman)
	Maria Grazia Carrozza
	Graziano Gianmichele Visentin
Related Party Transactions Committee	Giuseppe Tesaro (Chairman)
	Andrea Formica
	Graziano Gianmichele Visentin
Remuneration Committee	Giuseppe Tesaro (Chairman)
	Andrea Formica
	Graziano Gianmichele Visentin
Internal Control, Risk Management and Sustainability Committee	Graziano Gianmichele Visentin (Chairman)
	Andrea Formica
	Giuseppe Tesaro

By resolution of 15 April 2021, the Board of Directors currently in office set up the following Committees, composed as follows:

Appointment Proposal Committee	Graziano Gianmichele Visentin (Chairman)
	Rita Ciccone
	Micaela Vescia
Related Party Transactions Committee	Graziano Gianmichele Visentin (Chairman)
	Rita Ciccone
	Andrea Formica
Remuneration Committee	Rita Ciccone (Chairwoman)
	Graziano Gianmichele Visentin
	Andrea Formica
Internal Control, Risk Management and Sustainability Committee	Graziano Gianmichele Visentin (Chairman)
	Rita Ciccone
	Micaela Vescia

Please note that the Issuer has not established either a committee performing the functions of two or more committees foreseen by the CG Code, or committees other than those foreseen by the latter. Functions have not been “distributed” among the Committees differently than recommended by the Code nor have the functions of one or more committees required by the Code been reserved to the entire Board, coordinated by the Chairman.

Given the organisational structure of the Issuer, the Company decided not to adopt internal regulations regulating how the single committees operated.

When deciding the composition of the committees, the Board privileged the competence and experience of its members. Despite the presence of the same Independent Directors in the Related Party Transactions Committee and the Remuneration Committee and the presence of the same Independent Directors in the Internal Control, Risk Management and Sustainability Committee and in the Appointment Proposal Committee, the Board believed that those circumstances did not mean a risk of excessive concentration of roles for the same people as hindering the correct functioning of the committees themselves.

Further Committees (other than those established by regulations or recommended by the Code)

There are no further committees other than those established by regulations or recommended by the Code)



7. SELF-ASSESSMENT AND DIRECTORS' SUCCESSION - APPOINTMENT PROPOSALS COMMITTEE

7.1 SELF-ASSESSMENT AND DIRECTORS' SUCCESSION

In accordance with the BoD Regulations, as well as Article 4, Principle XIV and Recommendation 21 of the Corporate Governance Code, the Board of Directors periodically assesses the effectiveness of its activities and the contribution made by its individual members, through formalised procedures whose implementation it oversees.

For that purpose the Issuer carries out an assessment of the size, composition and correct functioning of the Board itself and the Board committees (so-called board review), also considering the role the Board performed in defining strategies and monitoring management trend and the adequacy of the internal control and risk management system. When conducting its board review, the Board did not avail itself of any external consultants.

In addition, the Issuer's Board, pursuant to the above-mentioned provisions of the Corporate Governance Code and the BoD Regulation, carried out the annual assessment on the basis of a specific questionnaire divided into various areas of inquiry (i.e. composition, structure, size and function of the Board, interaction with management, risk governance, composition and structure of committees, etc.) and with the possibility of expressing comments and making suggestions; this questionnaire was sent to and completed by all Directors, and examined by the Board on 2 March 2022.

In light of the results of this assessment, the Board deemed the administrative body to be capable of performing the functions allocated to it by current legislation, maintaining that the size, composition and function of the Board itself and the committees thereof are able to meet the management and organisational requirements of the Issuer. The professional characteristics and experience (including managerial experience) and length of service of its members were also taken into account, as well as the presence of 8 (eight) non-executive directors, of which five (5) independent non-executive directors and 4 (four) are female out of a total of 9 (nine) members. The foregoing are also responsible for ensuring that the composition of the Board's Committees is fit for purpose. In addition, the Directors considered that the composition of the Board of Directors reflects adequate diversity profiles with regard to aspects such as age, gender composition and training and professional background.

The Board shall ensure, to the extent of its competence, that the process of appointment of directors is transparent and functional to achieve the optimal composition of the board. In particular, in the illustrative report prepared pursuant to Article 125-ter of the Consolidated Law on Finance, relating to the appointment of the Board of Directors by the Shareholders' Meeting called to approve the financial statements at 31 December 2020, the Board in office until 14 April 2021 specified a guideline on the quantitative and qualitative composition deemed optimal and some indications for shareholders regarding the diversity policy in the composition of the administrative body (see Section 4.2). In addition, the Board has not adopted a plan for the succession of executive directors, taking into account the current shareholder and organisational structure of the Issuer and also considering that the CG Code recommends this only for Large Companies.

7.2 APPOINTMENT PROPOSALS COMMITTEE

In compliance with the CG Code and in consideration of the list-based voting system in the Articles of Association for nominations to Administrative Body, the Board of Directors has established an internal Appointment Proposal Committee.

The Committee in office until the Ordinary Shareholders' Meeting of 14 April 2021 was made up of independent non-executive directors as envisaged by Recommendation 20 of the Corporate Governance Code, in the persons of Giuseppe Tesauro (Chairman), Maria Grazia Carrozza and Graziano Gianmichele Visentin.

The Committee in office at the balance sheet date and at the date of the Report is also composed of independent non-executive directors, in the persons of Graziano Gianmichele Visentin (Chairman), Rita Ciccone and Micaela Vescia. There have been no changes in the composition of the Appointment Proposal Committee since the balance sheet date. The meetings were co-ordinated by the Chairman and minutes were regularly taken; during the year, the Chairman regularly reported to the Board of Directors at the first meeting thereafter on the activities carried out. Meetings of the Appointment Proposal Committee lasted an average of 1 hour. Table 3 in Annex 1 of the Report shows the attendance of each member at the Committee meeting.

In addition, 1 meeting is planned for the current year, 1 of which has already taken place at the date of the Report. The meetings of the Appointment Proposal Committee were attended by members of the Board of Statutory Auditors, and in view of the items on the agenda, it was not deemed necessary to involve any other company figures.

Functions of the Appointment Proposal Committee

The Appointment Proposal Committee is entrusted with the tasks set out in Recommendation 19 of the CG Code. The Appointment Proposal Committee has the duty of ensuring that the presentation procedure for lists set by the Articles of Association takes place correctly and transparently, in respect of applicable legislation and the Articles of Association. After it has checked the presentation procedure for lists, ensuring specifically that documents filed with the lists are complete and filing deadlines are met, the Committee arranges the formalities for presenting the lists to the General Shareholders' Meeting convened for the appointment of the Board of Directors or its members. Pursuant to Recommendation 19 of the CG Code, the Appointment Proposal Committee also gives opinions to the Board, if and when necessary, on the size and composition of the committee or makes recommendations on the professional figures whose presence on the Board is deemed appropriate, and proposes to the Board candidates for directorships in cases of co-optation when independent directors need to be replaced. In addition, pursuant to the BoD Regulations and Recommendation 19 of the Corporate Governance Code, the Committee assists the Board in the self-assessment process as well as the Chairman of the Board in ensuring the adequacy and transparency of the Board's self-assessment process. In particular, the meetings of the Committee during the year were concerned with:

- the questionnaire for the Board's self-assessment.

In carrying out its functions, the Appointment Proposal Committee was able to access and consult the corporate information and departments necessary to carry out its duties, and also use external consultants within the terms set by the Board.

No financial resources were allocated to the Appointment Proposal Committee as it uses the Issuer's corporate resources and facilities to perform duties.

8. REMUNERATION OF DIRECTORS - REMUNERATION COMMITTEE

8.1 REMUNERATION OF DIRECTORS

For information on (i) the policy on the remuneration of Directors and executives with strategic responsibilities, as well as (ii) the compensation paid during the Year, please refer to Section I and Section II, respectively, of the Report on the remuneration policy and the compensation paid published pursuant to Article 123-ter of the Consolidated Law on Finance on the Company's website www.piaggiogroup.com in the "Governance - Management" section.

8.2 REMUNERATION COMMITTEE

In compliance with the Code, the company's Board of Directors has established a Remuneration Committee from its members.

The Remuneration Committee in office until the Ordinary Shareholders' Meeting of 14 April 2021 was composed of independent, non-executive Directors, in the persons of Giuseppe Tesauro (Chairman), Andrea Formica and Graziano Gianmichele Visentin; All the Committee members had financial and remuneration policy experience and knowledge considerable suitable by the Board at the time of appointment.

The Committee in office at balance sheet date and at the date of the Report is composed of independent non-executive directors, such as Rita Ciccone (Chairman), Graziano Gianmichele Visentin and Andrea Formica. All Committee members have experience in finance and remuneration policies considered suitable by the Board at the time of appointment.

There were no changes in the composition of the Remuneration Committee after the balance sheet date. The meetings were co-ordinated by the Chairman and minutes were regularly taken; during the year, the Chairman regularly reported to the Board of Directors at the first meeting thereafter on the activities carried out. The meetings of the Remuneration Committee lasted an average of 1 hour. Table 3 in Annex 1 of the Report shows the attendance of each member at the Committee meeting.

In addition, 2 meetings are planned for the current year, 2 of which has already taken place at the date of the Report. The meetings of the Remuneration Committee were attended by members of the Board of Statutory Auditors, and in view of the items on the agenda, it was not deemed necessary to involve any other company figures. Pursuant to Recommendation 26 of the Corporate Governance Code, no Director participates in meetings of the Remuneration Committee in which proposals are formulated to the Board of Directors regarding his/her remuneration

Functions of the Remuneration Committee

The Remuneration Committee is entrusted with the tasks set out in Recommendation 25 of the CG Code. The Remuneration Committee has the following tasks: (i) assisting the Board of Directors with drawing up the Remuneration Policy; (ii) making proposals or expressing opinions on the remuneration of Executive Directors and other Directors holding particular offices as well as on the setting of performance objectives related to the variable component of such remuneration (iii) monitoring the concrete application of the Remuneration Policy and verifying, in particular, the actual achievement of performance objectives; (iv) periodically assess the overall adequacy and consistency of the Remuneration Policy.

It also has the responsibilities and functions envisaged in the Remuneration Policy adopted by the company.

In particular, the meetings of the Committee during the year were concerned with:

- examination of the Remuneration Report and formulation of the proposal, to be submitted to the Board of Directors, concerning the modification of the Remuneration Policy (illustrated in Section I of the Remuneration Report).

In carrying out its functions, the Remuneration Committee had the right to access information and company functions necessary to perform its duties.

No financial resources were allocated to the Remuneration Committee in that, in order to fulfil its duties, it uses the Issuer's corporate resources and facilities.



9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The internal control and risk management system comprises rules, procedures and organisational structures to identify, measure, manage and monitor main risks. This system is integrated at various levels with general organisational and corporate governance strategies adopted by the company, and contributes to safeguarding corporate assets, the efficiency and effectiveness of company processes, the reliability of financial information, and compliance with laws, regulations, the company's Articles of Association and internal procedures.

As part of this system, the Board, after consulting with the Internal Control, Risk Management and Sustainability Committee:

- a. defines the nature and level of risk compatible with the Issuer's strategic objectives, including in its assessment all risks that could be relevant in view of medium- to long-term sustainability;
- b. defines the guidelines for the internal control and risk management system, so that main risks concerning the Issuer and its subsidiaries are correctly identified, and adequately measured, managed and monitored, also determining the level of compatibility of these risks with a business management in line with strategic objectives identified and in order to contribute to the sustainable success of the Issuer;
- c. evaluates, at least annually, the adequacy of the internal control and risk management system in relation to business characteristics and the risk profile undertaken, as well as its effectiveness;
- d. approves, at least once a year, the work plan prepared by the Head of the Internal Audit Function, after consulting the Board of Statutory Auditors and the Chief Executive Officer;
- e. describes, in the corporate governance report, the main characteristics of the internal control and risk management system, evaluating its adequacy;
- f. evaluates, after consulting with the Board of Statutory Auditors, the results of the independent auditors in their letter of findings and fundamental issues identified during auditing.

In exercising these functions, the Board is assisted by the Chief Executive Officer in accordance with the Corporate Governance Code and by the Internal Control, Risk Management and Sustainability Committee; the Board also takes into consideration the compliance programmes adopted by the Issuer and Companies of the Group of which the Issuer is Parent Company, in accordance with Legislative Decree 231/2001.

The following section of the Report indicates how the internal control and risk management system involves, each within their respective competencies: the chief executive officer; Internal Control, Risk Management and Sustainability Committee; the head of the internal audit function; other corporate functions involved in controls (such as the risk management function) and the Board of Statutory Auditors.

At its meeting of 2 March 2022, the Issuer's Board of Directors, also taking into account the indications provided in the annual report of the Internal Control, Risk Management and Sustainability Committee, expressed a positive assessment of the adequacy, effectiveness and actual functioning of the internal control and risk management system, taking into account the characteristics of the company and the risk profile assumed.

For a description of the main characteristics of the internal control and risk management system in relation to the financial disclosure process, pursuant to Article 123-bis, paragraph 2, letter b), of the Consolidated Law on Finance, reference is made to paragraph 12.6 of the Report.

9.1 CHIEF EXECUTIVE OFFICER

On 15 April 2021, the Board of Directors appointed Roberto Colaninno as Chief Executive Officer. The Chief Executive Officer is responsible for establishing and maintaining the internal control and risk management system.

The Chief Executive Officer, during the financial year:

- conducted an identification of the main corporate risks (strategic, operational, financial and compliance risks), taking account of the characteristics of the Issuer and its subsidiaries' business activities, and subjected them to periodic examination by the Board
- implemented the guidelines defined by the Board, arranging for the design, creation and management of the internal control and risk management system, continuously verifying its overall adequacy and effectiveness;
- arranged for the adaptation of this system to the dynamics of business operating conditions and the legal and regulatory framework;
- reported promptly to the Board of Directors and to the Internal Control, Risk Management and Sustainability Committee on problems and critical issues that arose in the performance of its activities or of which it became aware, so that the Board and the committee could take the appropriate initiatives;
- proposed the appointment of the Head of the Internal Audit Function to the Board.

The Chief Executive Officer has the power to ask the Internal Audit function to carry out checks on specific operational areas and on compliance with internal rules and procedures in the execution of corporate transactions, simultaneously notifying the Chairman of the Board of Directors, the Chairman of the Internal Control, Risk Management and Sustainability Committee and the Chairman of the Board of Statutory Auditors.

During the year, although it was not deemed necessary to request the performance of specific checks in addition to those already defined in the Audit Plan, the Chief Executive Officer provided the Internal Audit Supervisor with his indications for the composition of the Audit Plan, for which similar indications formulated by the Control Bodies were also taken into account, according to a risk-based approach.

9.2 INTERNAL CONTROL, RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

The Board has set up an Internal Control, Risk Management and Sustainability Committee.

The Issuer's Internal Control, Risk Management and Sustainability Committee is composed exclusively of non-executive independent Directors.

The Internal Control, Risk Management and Sustainability Committee in office until the Ordinary Shareholders' Meeting of 14 April 2021 was composed of independent non-executive directors, such as: Graziano Gianmichele Visentin (Chairman), Andrea Formica and Giuseppe Tesauo. All members had adequate experience in accounting, finance and risk management.

The Committee in office at the balance sheet date and at the date of the Report is also composed of independent non-executive directors, in the persons of Graziano Gianmichele Visentin (Chairman), Rita Ciccone and Micaela Vescia. The Board of Directors, at the time of its appointment on 15 April 2021, assessed and considered that the entire Committee should be composed of individuals with appropriate experience in accounting and finance and risk management. There were no changes in the composition of the Internal Control, Risk Management and Sustainability Committee or the Remuneration Committee after the balance sheet date.

The meetings were co-ordinated by the Chairman and minutes were regularly taken; during the year, the Chairman regularly reported to the Board of Directors at the first meeting thereafter on the activities carried out.

The meetings of the Internal Control, Risk Management and Sustainability Committee lasted an average of 2 hours. Table 3 in Annex 1 of the Report shows the attendance of each member at the Committee meeting.

In addition, at least four meetings are planned for the current year, two of which have already taken place as of the Report Date.

The Internal Control, Risk Management and Sustainability Committee meetings were attended by the members of the Board of Statutory Auditors, and at the invitation of the Committee Chairman and informing the Chairman and Chief Executive Officer, in relation to specific topics of interest, the Executive in Charge of Financial Reporting, the Risk Officer, the Compliance Officer, the Tax Manager, the Head of the Internal Audit Function, certain managers of the Company as well as representatives of the appointed auditing company also attended the meetings.

Functions attributed to the Internal Control, Risk Management and Sustainability Committee

The Internal Control, Risk Management and Sustainability Committee assists the Board of Directors:

- provides the Board with a prior opinion for the performance of the tasks entrusted to it by the CG Code in the field of internal control and risk management;
- evaluates, with the Executive in Charge of Financial Reporting and after consulting with the independent auditors and the Board of Statutory Auditors, the correct use of accounting standards and their consistency in the preparation of the Consolidated Financial Statements;
- expresses opinions on specific aspects concerning the identification of main company risks;
- examines periodic reports on the evaluation of the internal control and risk management system, and reports of particular importance prepared by the Internal Audit Function;
- assesses the suitability of periodic financial and non-financial information to correctly represent the Issuer's business model, strategies, the impact of its activities and the performance achieved;
- monitors the independence, adequacy, effectiveness and efficiency of the Internal Audit function;
- requests the Internal Audit Function to audit specific operating areas, informing the Chairman of the Board of Statutory Auditors;
- reports to the Board at least half-yearly, when the annual and interim financial statements are approved, on activities performed and on the adequacy of the internal control and risk management system;
- supports the Board, with adequate preliminary activities, in its assessments and decisions concerning the management of risk arising from injurious events which come to the knowledge of the Board
- gives the Board an opinion on decisions relative to the appointment, removal from office, remuneration and availability of resources of the Head of the Internal Audit Function.

The Board meeting held on 15 April 2021 resolved to attribute to the same committee also propositional and advisory functions towards the Board of Directors on sustainability issues - and, therefore, to name it the "Internal Control, Risk Management and Sustainability Committee" - namely: (i) examine and evaluate sustainability issues related to the operation of the business and the dynamics of interaction with stakeholders; (ii) to examine and evaluate the data collection and consolidation system for the "Corporate Social Responsibility Report" and the "Consolidated Non-Financial Statement" referred to in Legislative Decree 254/2016; (iii) examining in advance the "Corporate Social Responsibility Report" and the "Consolidated Non-Financial Statement" pursuant to Legislative Decree 254/2016, formulating an opinion for approval by the Board of Directors; (iv) monitor the Company's positioning on sustainability issues, with particular reference to the Company's position in ethical sustainability indices; (v) at the request of the Board of Directors, express opinions on any additional sustainability issues; (vi) to examine and assess the possible impacts of ESG issues on the business in terms of risks and opportunities and the dynamics of interaction with stakeholders.

In particular, during the year, the Internal Control, Risk Management and Sustainability Committee carried out constant verification activities on the internal control and risk management system and on sustainability. In particular, the Committee focussed on the following:

- (i) developments in the organisational structure of the Issuer, changes to processes and company activities; (ii) the progress of the internal auditing work plan, with particular reference to the implementation of measures relative to audits of previous years, the progress of the 2021 Audit Plan activities and compliance audits conducted

pursuant to Law no. 262/2005 and Legislative Decree no. 231/01; (iii) monitoring of the independence, adequacy, effectiveness and efficiency of the Internal Audit Function also through the verification of specific indicators and the Quality Assurance Review process activated by the function that has led to attainment of the relevant certification, in compliance with international standards of the profession; (iv) review, with the Executive in Charge of Financial Reporting and the CFO General Manager Finance, after consulting with the Independent Auditors and the Board of Statutory Auditors, of the financial disclosure process, accounting standards used in reporting, the financial statements and consistency of the accounting standards used in preparing the Consolidated Financial Statements; (v) the impairment test procedure adopted by the company in order to verify adequacy and compliance with IAS/IFRS, as regards the implementation of recommendations in joint document no. 4 of Bank of Italy, CONSOB and ISVAP of 3 March 2010; (vi) examination of risk management and evolution of the risk assessment process. (vi) verification of occupational safety procedures; (vii) the issue of sustainability

During its meetings, the Internal Control, Risk Management and Sustainability Committee also discussed the most appropriate initiatives in relation to auditing activities, with a view to a progressive improvement of the internal control and risk management system.

In carrying out its functions, the Internal Control, Risk Management and Sustainability Committee was able to access and consult the corporate information and departments necessary to carry out its duties, and also use external consultants within the terms set by the Board.

No specific financial resources have been allocated to the Internal Control, Risk Management and Sustainability Committee, as it has made use of the Issuer's resources and corporate structures, including the Internal Audit Department, to carry out its tasks.

The Internal Control, Risk Management and Sustainability Committee reported to the Board on a regular basis during the financial year regarding its work, the outcome of its audits and the functioning of the internal control and risk management system, stating how the control and risk management system is basically consistent with the size and organisational and operational structure of the Issuer.

9.3 HEAD OF THE INTERNAL AUDITOR FUNCTION

As of 1 January 2009, IMMSI Audit S.c.a.r.l. is responsible for the internal auditing of all IMMSI Group companies; this consortium is equally owned by said companies, including the Issuer, and ensures an adequate level of professionalism, independence and organisation.

On 15 April 2021, the Board, on the proposal of the Chief Executive Officer, subject to the favourable opinion of the Internal Control, Risk Management and Sustainability Committee and having consulted the Board of Statutory Auditors, renewed the appointment of the Managing Director of Immsi Audit S.c.a.r.l., Maurizio Strozzi, as Internal Audit Supervisor with the task of verifying that the internal control and risk management system is functioning and adequate. No specific financial resources have been allocated to the Internal Audit Supervisor since the same uses, to carry out his tasks, the means and facilities of the Issuer and of Immsi Audit S.c.a.r.l. which charges back to each consortium company the costs incurred for activities undertaken on its behalf.

This organisational solution adopted by the Immsi Group: (i) avoids duplication of facilities by centralising verification activities on one entity; (ii) maximises the independence of the Internal Audit Supervisor from corporate structures, with respect to which the same operates independently; (iii) continuously monitors, through a specifically dedicated person, the effectiveness, adequacy and operating efficiency of the internal control and risk management system of the Company and the Group.

During the year, the Board approved the work plan prepared by the Head of the Internal Audit Function, after consulting the Board of Statutory Auditors and the Chief Executive Officer

The Head of the Internal Audit Function, who is not responsible for any operating area of the Issuer directly reports on activities carried out to the Board of Directors, and has direct access to all information useful for his position. During the financial year, the Internal Audit Supervisor:

- verified, on both an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and adequacy of the Internal Control and Risk Management system, through an audit plan approved by the Board of Directors and based on a structured process that analyses and prioritises main risks;
- prepared periodic reports containing adequate information on its activities and on the way in which risk management is carried out, as well as on compliance with the plans defined for their containment, and an assessment of the suitability of the internal control and risk management system, as well as on compliance with the action plans defined for their containment, and forwarded them to the Chairmen of the Board of Statutory Auditors, the Internal Control, Risk Management and Sustainability Committee and the Board of Directors, as well as to the Chief Executive Officer, except in cases where the subject of these reports specifically concerned the activities of these subjects;
- prepared timely reports on events of particular relevance, also at the request of the Board of Statutory Auditors, and forwarded them to the Chairmen of the Board of Statutory Auditors, the Internal Control, Risk Management and Sustainability Committee and the Board of Directors, as well as to the Chief Executive Officer, except in cases where the subject of such reports specifically concerned the activities of such persons
- prepared the audit plan for the 2021 financial year, comprising an audit of information system reliability, including accounting systems.

During the year, the Internal Audit Supervisor, with the assistance of the Internal Audit structure, conducted an audit of the internal control and risk management activities, in accordance with the Internal Audit Plan scheduled for the year, as approved by the Board on 21 February 2022. Financial, operational and compliance auditing activities were carried out (with particular reference to audits carried out for the purpose of compliance with the provisions of Law 262/2005 and Legislative Decree 231/2001), assessing the reliability of information systems (accounting systems included), and the risk assessment system, as well as monitoring the adoption of the plans for correction/ improvement agreed following these internal auditing activities.

The results of audits carried out compared to the Audit Plans have always been analysed, discussed and shared between the Internal Audit function, the various managers of the processes and functions and company management, in order to agree and implement preventive/corrective measures, the implementation of which is continuously monitored until their completion. The Internal Audit Supervisor then represented the audit reports to the Chairman and Chief Executive Officer to oversee the functionality of the internal control and risk management system, to the Chairman of the Internal Control, Risk Management and Sustainability Committee and to the Chairman of the Board of Statutory Auditors, as well as to the Supervisory Board and to the Executive in Charge of Financial Reporting and Risk Manager for matters falling within his competence. This presentation was made at the end of the related audits, both by sending the audit reports and with examination of the specific outcomes during periodic meetings with mentioned recipients. The Internal Audit Supervisor through a specific report also reported on the activities carried out by Internal Audit in the 2021 financial year, also with the Company's management, representing his opinion on the adequacy, effectiveness and actual functioning of the Company's internal control and risk management system.

9.4 ORGANISATIONAL MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001

On 12 March 2004 the Issuer adopted an organisational, management and control model for the prevention of the corporate crimes contemplated by Legislative Decree 231/2001, and amendments thereto ("Model").

The Model comprises a general part and special part, divided into sections in relation to the different groups of offences referred to in the Decree.

The general part begins with the Code of Ethics: since 2004, Piaggio has adopted a Code of Ethics as part of the

Organisational Model pursuant to Legislative Decree 231/2001, which was last updated in July 2017 with the introduction of a specific article on the protection and safeguarding of human rights.

The Code of Ethics is distributed extensively and is in effect across all Group Companies; it sets out the principles and values that inspire the entire organisation in a clear and transparent manner:

- complying with the laws of countries where Piaggio operates;
- Dismissing and condemning unlawful and improper behaviour;
- preventing breaches of lawfulness, constantly achieving transparency and openness in managing the business;
- Seeking excellence and market competitiveness;
- Respecting, protecting and valuing human resources;
- Pursuing sustainable development while respecting the environment and rights of future generations.

The Group's Code of Ethics sets out the social and ethical responsibilities of each member of the company's organisation. In particular the ethical and social responsibilities of senior management, middle management, employees and suppliers are defined, in order to prevent any party, acting in the name of and on behalf of Group companies, from adopting a conduct which is irresponsible or unlawful.

In view of the specificity and relevance of the Indian economy, the Code of Business Conduct & Ethics and the Whistle Blower Policy have been drafted and adopted since December 2016 for the Indian affiliate; the Whistle Blower Policy is specifically intended to protect and guarantee those who report any alleged violations of the Code, thereby also safeguarding the effective application of the Code itself.

At the same time, again in view of the peculiarities of the Indian society, a "Policy on Prevention of Sexual Harassment of Women in the Workplace" has been adopted by the Indian affiliate to prevent incidents of sexual harassment at the factory.

The Model has been sent to all Piaggio Group senior managers, middle managers and employees and has been published on the Issuer's website www.piaggiogroup.com, in the section Governance/Governance Systems.

It should be noted that the constant updating of the Model (which took place during the 2021 financial year also in the light of the new "Guidelines for the creation of Organisation, Management and Control Models" issued by Confindustria) goes hand in hand with the updating of company procedures, the correct application of which is, on the indication and coordination of the Supervisory Board, constantly monitored through the planned compliance activities, carried out by Management and the Internal Audit Function. This monitoring process also involves Process Owners, i.e. the parties/entities responsible for company processes that are considered "sensitive" as regards the commission of offences, that periodically report to the Supervisory Board. employees (managers and lower levels) also receive training on the contents of the Model.

Third parties (e.g. suppliers, customers, consultants, etc.) are informed of adoption by the Company of the Code of Ethics and Code of Conduct and, when signing agreements, they are required to expressly accept the ethical and conduct principles adopted.

The Issuer has also adopted a procedure ("Fraud Policy") in order to establish suitable channels of information for the receipt, analysis and processing of fraud reports that may possibly involve employees, directors, co-workers and partners of Piaggio and of Group Companies. The Policy is another instrument that the Piaggio Group has adopted to prevent infringement of the principles of lawfulness, transparency, fairness and loyalty which the Model pursuant to Legislative Decree no. 231/2001 takes inspiration from.

The Supervisory Board currently in office was appointed by the Board of Directors on 15 April 2021 for the 2021-2022-2023 financial years, and therefore up until the approval of the Financial Statements as of 31 December 2023. The Supervisory Board is composed of (i) Giovanni Barbara, Standing Auditor of the Issuer; (ii) Fabio Grimaldi, Issuer's Tax, Legal and Corporate Affairs Manager and Compliance Officer; and (iii) Antonino Parisi, who holds the position of Chairman of the Supervisory Board, elected from a pool of external professionals with the necessary requisites. The Board of Directors of the Issuer considered the feasibility of assigning supervisory functions to the Board of Statutory Auditors, but considered the supervisory functions of an ad hoc organisation, i.e. the Supervisory Board, to be more efficient and effective at monitoring the functioning of and compliance with the Model.

The Supervisory Board operates at top management level according to principles of independence, autonomy, professionalism and impartiality, and on the basis of the Regulations approved by the Board of Directors to whom it reports periodically on its activities carried out, information received and any sanctions adopted. The Company has for some time now had an e-mail account active - the details of which are contained in the Code of Conduct - allowing anyone to send messages directly to the Supervisory Board for reporting suspected offences. This message may only be read by the Supervisory Board, thus ensuring that the operations of the Board are exercised in accordance with the Model.

The Issuer's Supervisory Board met five times during the financial year.

In particular, during the year, the Supervisory Body: i) monitored the actual application of the Model on the basis of the specific plan for verifying the reports of the company representatives, through the examination of the results of the audits carried out for internal control purposes relevant to Legislative Decree no. 231/2001 and through meetings and hearings of the Company's management ; ii) monitored the adequacy of the Model in relation to maintenance over time of the requisites of solidity and functionality, iii) examined the proposed updates to reflect changes in laws and corporate organisational changes having taken place, as well as personnel training put in place by the Company and iv) prepared and presented to the Board of Directors of the Company a report on the activities carried out during the year, as required by the Model.

In the meeting held on 16 February 2022, the Supervisory Board also approved the activity plan for 2022; at least four meetings of the Supervisory Board are scheduled for the 2022 financial year, at least every three months.

9.5 INDEPENDENT AUDITORS

The firm Deloitte & Touche S.p.A. has been engaged for the statutory auditing of accounts. The appointment was approved by the Shareholders' Meeting held on 22 April 2020 and ends on approval of the Financial Statements as of 31 December 2029.

9.6 EXECUTIVE IN CHARGE OF FINANCIAL REPORTING AND OTHER CORPORATE ROLES AND FUNCTIONS

Alessandra Simonotto, the Group's Chief Financial Officer, is the Executive in Charge of Financial Reporting.

Pursuant to Article 17.3 of the Issuer's Articles of Association, the Executive in Charge of Financial Reporting must have the professional requisites characterised by detailed expertise in administration and accounting, as well as the reputation requisites prescribed by the legislation in force for those who carry out administrative and management functions. This competence, to be verified by the Board of Directors, must be gained through work experience gained in positions of adequate responsibility for a reasonable period of time.

The Executive in Charge of Financial Reporting was appointed by the Board, subject to obligatory approval by the Board of Statutory Auditors.

At the time of this appointment, the Board attributed Executive in Charge of Financial Reporting with all the powers and means necessary to execute the prescribed duties.

In particular, the Executive in Charge of Financial Reporting prepares both the Non-Financial Statement and the Corporate Social Responsibility Report. It submits both documents to the Internal Control, Risk Management and Sustainability Committee and then to the Board of Directors for approval.

RISK MANAGER AND COMPLIANCE OFFICER

In the meeting of 26 October 2012, the Board also established the positions of Risk Manager and Compliance Officer, in order to update the internal control and risk management system to recommendations of the Corporate Governance Code. In particular, taking into account the size, complexity and risk profile of the Issuer, two new figures were appointed to assist the Chief Executive Officer and the Board.

The Risk Manager (identified in the person of Alessandra Simonotto) and the Compliance Officer (identified in the person of Fabio Grimaldi) work with autonomy and independence, periodically reporting to the Board on the results of their activities.

During the course of the financial year, the Board assessed the appropriateness of adopting measures to ensure the effectiveness and impartiality of judgement of the other corporate functions involved in the controls, verifying that they have adequate professionalism and resources.

9.7 COORDINATION BETWEEN PERSONS INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

In order to ensure continuous coordination between the various parties involved in the internal control and risk management system, the Issuer has for some time now envisaged that, as a general rule, all periodic meetings take place at the same time and jointly between the Internal Control, Risk Management and Sustainability Committee, the Head of the Internal Audit Function, the Board of Statutory Auditors, the Executive in Charge of Financial Reporting, the Supervisory Board, the Risk Manager and the Compliance Officer. This makes it possible to maximise the efficiency of the internal control and risk management system implemented by the Issuer, also with a view to the timely exchange of information between all parties involved, while reducing the risk of any duplication of activities.

On 2 March 2022, the Board of Directors, in accordance with the provisions of Recommendation 33, letter a) of the Corporate Governance Code, expressed an opinion on the adequacy of the aforementioned methods of coordination between the various parties involved in the internal control and risk management system.

9.8 MAIN CHARACTERISTICS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS IN RELATION TO THE FINANCIAL DISCLOSURE PROCESS (ARTICLE 123-BIS, SECTION 2, LETTER B), OF THE CONSOLIDATED LAW ON FINANCE)

Introduction

Purpose and objectives

The risk management and internal control system in relation to Piaggio Group financial disclosure was developed using the “2013 COSO Report”³ as a reference model. According to this report, the Internal Control System, given its broadest meaning, is defined as “a process, carried out by the Board of Directors, by Senior Management and other subjects of

³ The COSO Model, developed by the Committee of Sponsoring Organizations of the Treadway Commission - “Internal Control - Integrated Framework” published in 1992 and last updated in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission.

the company structure, intended to provide reasonable certainty as to achieving objectives in the following categories:

- Effectiveness and efficiency of operations;
- Reliability of financial reporting;
- Compliance with applicable laws and regulations”.

As concerns the financial disclosure process, these objectives refer to the credibility, accuracy, reliability and timeliness of disclosure.

Main characteristics of the risk management and internal control system in relation to the financial disclosure process

Methodological approach

The Piaggio Group’s risk management and internal control system for financial disclosure is part of the Group’s broader internal control and risk management system, which consists of a number of elements, including:

- The Code of Ethics;
- The Organisational and Management Model pursuant to Legislative Decree no. 231/2001 and relative protocols;
- Procedures for reporting internal dealing;
- Principles and procedures for conducting significant transactions and transactions with related parties;
- The system of powers and duties;
- The Company organisational chart and job descriptions;
- Procedures for disclosing information to the market;
- The Enterprise Risk Management Process adopted (ERM);
- The Accounting control system;
- The Fraud Policy.

Piaggio’s Accounting and Administrative Control System comprises a number of operating procedures and documents, including:

- The Financial and Administrative Audit Model – a document available to all employees directly involved in the preparation or auditing of financial reports, which outlines how the financial audit system works.
- The Group Accounting Manual – a document designed to promote the development and application of standard accounting policies across the Group for the recognition, classification and measurement of operations;
- Operational instructions for financial statements and reports and closing schedules – documents designed to instruct the various company departments on specific operational procedures for preparing financial statements by set common deadlines;
- Administrative and accounting procedures – documents that identify responsibilities and rules in administrative and accounting processes.

The Piaggio Financial and Administrative Audit Model identifies the methodological approach to be taken for the risk management and internal control system, involving the following separate stages:

- a. Identification and assessment of risks involved in financial disclosure;
- b. Identification of controls to minimise risks identified;
- c. Assessment of controls to minimise risks identified and the management of any problems found.

Elements of the system

a) Identification and assessment of financial disclosure risks

Risks connected with the preparation of financial reports are identified through a step-by-step risk assessment process. The process involves identifying the objectives that the internal control system for financial disclosure is expected to deliver, so as to ensure that financial reports are fair and truthful. Those objectives cover the assertions made in financial reports (regarding the existence and occurrence of events, comprehensiveness, rights and obligations, the measurement/recognition of items, presentation and disclosures) and other control objectives (such as, for example, compliance with approval limits, the separation of roles and responsibilities, the documentation and traceability of transactions, and so on).

Risk assessment is therefore focused on the different areas of the financial statements in which the failure to deliver control objectives would have a potential impact on financial disclosure requirements.

The process of determining boundaries for including “material” entities and process, in terms of their potential impact on financial disclosure, is designed to identify the accounts, subsidiaries and administrative-accounting processes of material relevance for the Group consolidated financial statements, on the basis of quantitative and qualitative criteria.

Those criteria are determined by:

- setting quantitative thresholds for checking accounts against the consolidated financial statements, and checking the relative contribution of Group subsidiaries to the consolidated financial statements;
- making qualitative judgements on the basis of managers’ knowledge of the company and existing specific risk factors inherent to administrative-accounting processes.

b) Identification of controls for identified risks;

The controls needed to mitigate risks identified in administrative-accounting processes are identified by considering, as mentioned earlier, the control objectives associated with financial disclosure.

Specifically, underlying processes are linked to financial statement accounts classified as “material” so as to identify suitable controls to assure delivery of the objectives of the internal control system for financial disclosure. Assessments are then made of the adequacy and effective application of the controls identified. For automatic controls, the assessment of adequacy and effective application also concerns general IT controls on the software applications used to support processes of material relevance.

The functions involved in the financial disclosure process ensure that administrative and accounting procedures and relative controls are updated, as concerns areas in their remit.

If, after defining the scope of actions, sensitive areas are identified which are not regulated, either wholly or in part, by administrative and accounting procedures, existing procedures are supplemented and new procedures are formalised, overseen by the Executive in Charge of Financial Reporting, in relation to management areas in his remit.

c) Evaluation of controls for identified risks and problems detected

The financial audit system is reviewed and assessed regularly at least once every six months, and when the separate annual financial statements, consolidated annual financial statements, and the condensed consolidated interim financial statements are each prepared.

The adequacy and effective application of administrative and accounting procedures and their relative controls are assessed through monitoring and testing activities, on the basis of best practices in the field.

Control tests are run on the administrative and functional departments coordinated by the Executive in Charge of Financial Reporting or by his officers, assisted by the Internal Audit department to ensure that controls for administrative and accounting procedures are carried out, in addition to specific focused controls on companies, processes and accounting entries.

The executive officers and administrative managers of “material” subsidiaries are required to issue a supporting attestation statement to the Executive in charge of financial reporting in relation to the auditing of the adequacy and effective application of administrative and accounting procedures.

The Executive in Charge of Financial Reporting, assisted by the Internal Audit Supervisor, produces a report summarising the results of evaluations on controls for previously identified risks (Management Summary). This is based on the outcome of monitoring activities and on statements from delegated administrative bodies and administrative managers of subsidiaries. The assessment made of controls may entail the identification of compensatory controls, corrective measures or improvement plans to address any problems identified.

The Management Summary, once prepared and shared with the CEO, is communicated to the Board of Statutory Auditors, the Internal Control, Risk Management and Sustainability Committee and the Board of Directors. Said Management Summary is also sent to the Parent Company’s Executive in Charge of Financial Reporting.

Roles and departments involved

The risk management and internal control system for financial disclosure is governed by the Executive in Charge of Financial Reporting appointed by the Board of Directors. Working in concert with the Chief Executive Officer, the financial reporting manager is responsible for designing, implementing and approving the Financial and Administrative Audit Model, assessing its application and issuing an attestation statement for the separate and consolidated annual and interim financial statements, and the separate, consolidated and half-year reports. The Executive in Charge of Financial Reporting is also responsible for identifying suitable administrative and accounting procedures for the preparation of the separate and consolidated annual financial statements and, with the support of the Internal Audit department, for providing subsidiaries considered “material” for the purposes of consolidated Group financial reporting with guidelines for assessing their own financial and administrative audit systems.

In carrying out activities, the Executive in Charge of Financial Reporting:

- liaises with the Internal Audit Supervisor, who independently audits the operation of the control system and assists the Executive in Charge of Financial Reporting in monitoring the system, and the Compliance Officer, for matters concerning the legal/regulatory compliance of financial disclosure;
- is assisted by Function Managers. These managers ensure complete, reliable information flows to the Executive in Charge of Financial Reporting, for areas in their remit, for accounting disclosure purposes;
- co-ordinates the activities of the administrative managers of “material” subsidiaries, who, together with their executive officers, are tasked with implementing a suitable financial audit system in their respective companies to control administrative-accounting processes, assessing the effectiveness of the system over time, and reporting outcomes to the parent company via internal attestation statements;
- establishes reciprocal information flows with the Internal Control, Risk Management and Sustainability Committee and the Board of Directors, on the use of accounting standards and their consistency in the preparation of the Consolidated Financial Statements, as well as the adequacy of the risk management and internal control system for financial disclosure, as part of an overall assessment of corporate risks also in a capacity as Risk Officer.

Lastly, the Board of Statutory Auditors and Supervisory Board are informed of the adequacy and reliability of the administrative/accounting system.

10. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES

The Company has defined appropriate procedures for significant transactions and transactions with related parties, designed to guarantee Directors full and exhaustive information on such transactions.

In compliance with regulations in force and the Articles of Association, the examination and prior approval of the transactions by the Issuer and its subsidiaries in which one or more directors hold a personal interest or interest on behalf of third parties, are reserved to the Board.

Significant Transactions

The Company has approved the procedure governing significant transactions, which defines the quantitative and qualitative criteria for identifying transactions that require the express approval of the Board of Directors. These criteria have been identified in relation to the type of transaction involved, with specific and distinct reference to significant income, equity and financial transactions or those in relation to the Issuer's business.

The following are considered significant income, equity and financial transactions, i.e. transactions relating to the company's business ("**Significant Transactions**"):

1. acquisitions or disposals of investments in companies or branches of companies;
2. the conclusion or modification of loan contracts of any type stipulated for amounts of more than EUR 25 million;
3. the granting of collateral guarantees on assets and personal guarantees for commitments to third parties other than those granted in the interest, directly or indirectly, of subsidiary companies;
4. the transfer of brands, patents and other intellectual ownership rights, as well as the conclusion of licensing contracts;
5. the conclusion and modification of multi-year commercial agreements, including joint-venture agreements;
6. the purchase and sale of real estate;
7. other extraordinary administrative transactions having an amount of more than EUR 50 million;
8. the appointment of the General Manager and the head of the company's administration, finance and control departments;
9. the appointment of the members of administrative bodies and the general managers of directly and indirectly held subsidiary companies.

Reference must usually be made, for the calculation of the amounts indicated in items 2) and 7) above, to each transaction considered on an individual basis, except in the case of transactions that are strictly and objectively related to a similar strategic or executive plan, where reference must be made to the total value of all the related transactions.

In relation to each Significant Transaction, the Board must receive a report - drawn up by the delegated bodies - suitable for allowing for a prior examination of the essential elements of this transaction. Specifically, an exhaustive report must be provided regarding the strategic motivations for the Significant Transaction and its estimated income, equity and financial effects, including at consolidated level.

The Procedure governing significant transactions is available on the Issuer's corporate website www.piaggiogroup.com, under the section Governance/Documents and procedures.

Transactions with Related Parties

Pursuant to the Related Parties Regulation, the Company has adopted a procedure for transactions with related parties (the “**Related Parties Procedure**”) which, among other things, governs the approval and management of transactions with related parties pursuant to Article 4 of the Related Parties Regulation.

It should be noted that CONSOB with Resolution no. 21624 of 10 December 2020 adopted the amendments to the Related Parties Regulation and to the CONSOB Regulations on Markets in order to transpose, also at the level of secondary legislation, the contents of the SHRD. The aforementioned Resolution No. 21624 will enter into force on 1 July 2021; consequently, on 25 June 2021, the Board adapted its own Related Parties Procedure to the aforementioned changes, subject to the favourable opinion of the Related Party Transactions Committee.

The latest version of the Procedure governing related party transactions is available on the Issuer’s corporate website www.piaggiogroup.com, under the section Governance/Documents and procedures.

RELATED PARTY TRANSACTIONS COMMITTEE

The Issuer’s Board of Directors appointed a Related Party Transactions Committee responsible for approving both minor and major transactions with related parties. This Committee, which has been operational since 1 January 2011 and was last appointed by the Board on 15 April 2021, consists of 3 (three) independent directors, who, in accordance with regulatory provisions, must also be unrelated directors with respect to each transaction.

In particular, the members of the Related Party Transactions Committee in office until approval of the financial statements at 31 December 2020 were: Giuseppe Teasuro, as Chairman, Andrea Formica and Graziano Gianmichele Visentin.

The Committee in office at the balance sheet date and at the date of the Report is also composed of independent non-executive directors, in the persons of Graziano Gianmichele Visentin (Chairman), Rita Ciccone and Andrea Formica.

There were no changes in the composition of the Related Party Transactions committee after the balance sheet date.

The Committee is assigned the functions set out in the Related Parties Procedure.

One meeting of the Related Party Transactions Committee was held during the year. The meetings were co-ordinated by the Chairman and minutes were regularly taken; during the year, the Chairman regularly reported to the Board of Directors at the first meeting thereafter on the activities carried out.

The meetings of the Related Party Transactions Committee lasted an average of 1 hour. Table 3 in Annex 1 of the Report shows the attendance of each member at the Committee meeting.

In addition, 1 meeting is planned for the current year, 1 of which has already taken place at the date of the Report.

The Board, as reflected in the Related Party Transactions Procedure, has provided that directors who have an interest in the transaction must promptly and fully inform the Board of Directors about the existence of the interest and its circumstances, also pursuant to Article 2391 of the Italian Civil Code. The directors involved in the transaction shall assess, on a case-by-case basis, the advisability of leaving the board meeting at the time of the resolution. In any event, the directors involved in the transaction shall abstain from voting on it.



11. BOARD OF STATUTORY AUDITORS

11.1 APPOINTMENT AND REPLACEMENT OF STATUTORY AUDITORS

The appointment and replacement of statutory auditors is governed by ad interim laws and regulations in force, and by Article 24 of the Issuer's Articles of Association. The provisions of the Issuer's Articles of Association that govern the appointment of the Board of Statutory Auditors were most recently amended by a resolution of the Issuer's Board of Directors on 28 January 2021, drafted by public deed and adopted pursuant to the provisions of Article 2365 of the Italian Civil Code and Article 17 of the Articles of Association, in order to align them with the rules on gender balance as regards the composition of supervisory bodies pursuant to Article 148, paragraph 1-bis of the Consolidated Law on Finance, as most recently amended by Law 160/2019, and the relevant CONSOB implementing provisions⁴.

This paragraph therefore describes the mechanism for appointing the members of the Board as envisaged in the provisions of the Articles of Association currently in force.

Pursuant to Article 24 of the Articles of Association of the Issuer, the Board of Statutory Auditors is appointed, in accordance with the pro tempore discipline in force at any time concerning the balance between genders, based on the lists submitted by Shareholders in which candidates are listed with a sequential number. The list is made up of two sections: one for the candidates to be appointed as Statutory auditors, the other one for the candidates to be appointed as Alternate auditors.

The lists submitted by Shareholders must be filed at the registered offices, without prejudice to any additional forms of filing procedures prescribed by regulatory provisions in force at any time, at least 25 (twenty-five) days before the date set for the Shareholders' Meeting in first call.

Each shareholder, as well as shareholders who have entered into a significant shareholder agreement pursuant to Article 122 of the Consolidated Law on Finance, as well as the Parent Company, its subsidiaries and joint ventures pursuant to Article 93 of the Consolidated Law on Finance, cannot present or take part in presenting more than one list, either by proxy or through trust companies, nor can they vote on different list.

Only shareholders who – either alone or jointly – hold a total of shares with voting rights representing at least 2.5% (two point five percent) of the share capital with the right to vote in Ordinary Shareholders' Meetings have the right to present slates, or else those who represent another percentage that has possibly been set or required by laws or regulations. With Executive Determination no. 60, of 28 January 2022, by the Head of Corporate Governance, CONSOB established a requirement of 1.00% (one point nought percent) of the share capital as necessary for presenting lists of candidates for election to the Supervisory Body of the Issuer.

Lists that have a total number of candidates greater than or equal to three must be composed of candidates belonging to both genders, in accordance with the current applicable regulations on gender balance, both as regards candidates for the position of Standing Auditor and candidates for the position of Alternate Auditor.

The procedure for appointing the Statutory Auditors is as follows:

- a. two standing auditors and an alternate auditor are selected from the slate which obtained the highest number of votes at the Shareholders' Meeting, based on the sequential order in which they appear in the sections of the slate;

⁴ paragraph 1-bis of Article 148 of the Consolidated Law on Finance in force on the date of the Report provides, inter alia, that "[the] company's memorandum of association shall also provide that the allocation of members referred to in paragraph 1 shall be made in such a way that the lesser represented gender obtains at least two-fifths of the effective members of the Board of Statutory Auditors. This rule shall apply for six consecutive terms." Furthermore, pursuant to Article 144-undecies, paragraph 3, of the CONSOB Regulation on Issuers, as last amended by CONSOB Resolution 21359 of 13 May 2020, "when the application of the gender distribution rule does not result in a whole number of members of the management or control bodies belonging to the least represented gender, such number shall be rounded up to the next higher whole unit, with the exception of corporate bodies made up of three members where it will be rounded down to the next lower whole unit".

- b. one Standing auditors and the other Alternate auditor are selected from the second list which obtained the highest number of votes at the Shareholders' Meeting and which, pursuant to the law and other applicable regulations, is not connected, even indirectly, with the subjects who presented or voted the list which obtained the highest number of votes, based on the sequential order in which they appear in the sections of the list.

If there is a tie among two or more slates, the Statutory Auditors appointed will be those most senior in age. The Chair of the Board of Statutory Auditors shall be the Standing Auditor selected from the second list that obtained the highest number of votes pursuant to point b) above.

If, according to the procedures described above, a composition of the Board of Statutory Auditors, in terms of its statutory members, which complies with current legislation in force concerning the balance between genders is not ensured, the necessary replacements shall be made, within the scope of candidates for the office of Statutory Auditor of the list which obtained the greatest number of votes, according to the sequential order in which the candidates are listed.

The previous provisions regarding the appointment of Statutory Auditors do not apply to Shareholders' Meetings in respect of which only one list is presented or voted; in such cases the Shareholders' Meeting resolves by relative majority, without prejudice to compliance with legislation in force at any time concerning the balance between genders. If, once the deadline has lapsed, only one list of candidates has been filed or the candidate slates nominated are filed by shareholders that are connected in a material way with the candidates as per laws and regulations in force at the time, the deadline for filing candidate slates may be extended by the term contemplated by applicable ad interim laws and regulations. In this case, the minimum share ownership thresholds applicable for filing slates will be halved.

When the Shareholders' Meeting must appoint the Standing auditors and/or the Alternate ones in order to integrate the Board of Statutory Auditors the procedure adopted is as follows: if Statutory auditors elected from the majority list are to be replaced, the appointment takes place by relative majority voting regardless of the lists presented; conversely, if the Statutory Auditors elected from the minority list are to be replaced, the Shareholders' Meeting shall replace them by relative majority voting, selecting them from among the candidates indicated in the list of the statutory auditor to be replaced.

If the application of the above procedures does not allow, for whatever reason, the replacement of the Statutory Auditors designated by the minority, the Shareholders' Meeting will replace them by relative majority voting; however, in verifying the result of this last voting no account will be taken of the votes cast by the subjects who according to the communications made in compliance with current legal regulation have, even indirectly or jointly with other Shareholders taking part to a Shareholders' Agreement pursuant to Article 122 of the Consolidated Law on Finance, the relative majority of the votes that may be cast at the Shareholders' Meeting, as well as those Shareholders who control, are controlled or are subject to joint control by the same.

The replacement procedures described above shall in any event ensure compliance with legislation in force relating to the balance between genders.

For more information on the above provisions, please refer to the Articles of Association, which are available on the Company website www.piaggiogroup.com in the section "Governance/Documents and Procedures" as well as at the authorised storage mechanism "eMarket Storage" available at www.emarketstorage.com.

11.2 COMPOSITION AND OPERATION OF THE BOARD OF STATUTORY AUDITORS (pursuant to Article 123-bis, paragraph 2, letters d) and d-bis of the Consolidated Law on Finance)

The Board of Statutory Auditors exercises the powers and the functions attributed to it by law and other applicable provisions.

Pursuant to Article 25.2 of the Articles of Association, Board of Statutory Auditors' meetings can be held using teleconferencing or video conferencing facilities providing that:

- a) the Chairman and the person in charge of taking minutes attend the same official meeting venue;
- b) all participants can be identified and are able to follow the discussion, receive, transmit and examine the documents,

take part verbally and in real time in all the items on the agenda. If the above requisites are met, the meeting of the Board of Statutory Auditors shall be deemed to have been held at the place where the Chairman and the person taking the minutes are located.

The type of disclosure to the board allows Statutory Auditors to have adequate knowledge of the sector in which the Issuer operates, of corporate dynamics and their developments, as well as the regulatory framework.

The Board of Statutory Auditors must meet at least every ninety days.

On 14 April 2021, the term of office of the Board of Statutory Auditors appointed by the Shareholders' Meeting on 16 April 2018 for the three-year period 2018-2020 and, therefore, until the approval of the financial statements as at 31 December 2020, expired.

The Board of Statutory Auditors in office until the Ordinary Shareholders' Meeting of 14 April 2021 was composed as follows:

- Piera Vitali (Chairman);
- Giovanni Barbara (Standing Statutory Auditor);
- Daniele Girelli (Standing Statutory Auditor);
- Gianmarco Losi (Alternate Auditor);
- Fabrizio Piercarlo Bonelli (Alternate Auditor).

On 14 April 2021, the Shareholders' Meeting appointed, on the basis of the lists presented by the shareholders, the auditors in office at the balance sheet date and at the date of the Report.

Three lists were presented at the Shareholders' Meeting of 14 April 2021:

- the list presented by the majority shareholder IMMSI S.p.A., representing 50.07% of the share capital of Piaggio (the "**Majority List**"), which:
 - included the following candidates: Barbara Giovanni; Giaconia Massimo; Rodi Silvia as standing statutory auditor and Losi Gianmarco and Fornara Elena as alternate auditors;
 - received 179,353,721 votes in favour, representing 61% of the votes represented at the meeting;
- the list presented by the shareholder Diego della Valle & C. S.r.l. representing 5.539% of the share capital of Piaggio, which:
 - included the following candidates: Pozzi Franco Piero as standing statutory auditor and Tula Piera as alternate auditor;
 - received 25,909,173 votes in favour, representing 8.812% of the votes represented at the meeting;
- the list presented by a group of investors, representing 2.74826% of the share capital of Piaggio (the "**Minority List**"), which:
 - included the following candidates: Vitali Piera as standing statutory auditor and Bonelli Fabrizio Piercarlo as alternate auditor;
 - received 87,151,886 votes in favour, representing 29.641% of the votes represented at the meeting.

For further information on candidates and the lists filed for appointment of the supervisory body, reference should be made to the Issuer's corporate website www.piaggiogroup.com in the section "Governance - Shareholders' Meeting", where the professional curricula vitae of the Statutory Auditors are available, pursuant to Articles 144 octies and 144 decies of the CONSOB Regulation on Issuers.

The Board of Statutory Auditors in office at the balance sheet date and at the date of the Report, appointed by the Shareholders' Meeting of 14 April 2021 for the three-year period 2021-2023 and, therefore, until the approval of the financial statements at 31 December 2023, is composed as follows⁵:

- Piera Vitali (Chairman);
- Giovanni Barbara (Standing Statutory Auditor);
- Massimo Giaconia (Standing Statutory Auditor);
- Gianmarco Losi (Alternate Auditor);
- Fabrizio Piercarlo Bonelli (Alternate Auditor).

Further information on the composition of the Board of Statutory Auditors at the balance sheet date is reported in Table 4 in Annex 1 to the Report.

Please note that as of the balance sheet date and until the date of the Report there were no changes in the composition of the Board of Statutory Auditors.

Seven meetings of the Board of Statutory Auditors were held during the year. More specifically, the Issuer's Board met

⁵ Piera Vitali (Chairman) and the Alternate Auditor Fabrizio Piercarlo Bonelli were taken from the Minority List, while the Standing Statutory Auditors Giovanni Barbara and Massimo Giaconia and the Alternate Auditor Gianmarco Losi were taken from the Majority List.

on the following dates: 23 February 2021, 22 March 2021, 3 May 2021, 25 June 2021, 22 July 2021, 29 October 2021, 2 December 2021.

The average duration of the meetings was about 2 (two) hours.

A further 4 meetings are planned for the current financial year, in addition to those already held on 17 February 2022. For information on the participation of each Statutory Auditor in the meetings held during the Year, please refer to Table 4 in Annex 1 of the Report.

The composition of the current Board of Statutory Auditors is adequate to ensure, in accordance with the principles of the CG Code, the independence and professionalism of its function. In fact, as regards independence, as better specified in the following paragraph "Independence", all the members of the Board of Statutory Auditors meet the independence requirements, as also verified during the year by the Board itself. As far as professionalism is concerned, the Articles of Association provide that statutory auditors must be chosen from among persons meeting the legal and regulatory requirements, including those of professionalism. Compliance with the professionalism requirements is apparent from the curricula referred to above.

For the list of companies in which, as of the date of the Report, each Statutory Auditor holds positions of administration or control, please refer to the list published by CONSOB on its website pursuant to Article 144-quinquiesdecies of the Regulation on Issuers.

Diversity criteria and policies

In the explanatory report prepared pursuant to Article 125-ter of the Consolidated Law on Finance, relating to the appointment of the Board of Statutory Auditors by the Shareholders' Meeting called to approve the financial statements at 31 December 2020, the Board of Directors in office until the Ordinary Shareholders' Meeting of 14 April 2021 set out a number of indications for shareholders regarding the policy on diversity in the composition of the supervisory body (also pursuant to Recommendation 8 of the Corporate Governance Code), inviting shareholders to propose candidates that take into account the need for diversity in the composition of the supervisory body in terms of age and educational and professional background, so as to ensure that the skills required to properly perform the functions assigned to it are guaranteed.

For further information, please refer to the illustrative reports published on the Issuer's institutional website www.piaggiogroup.com in the "Governance - Shareholders' Meeting" section.

As regards company policies on diversity in relation to the composition of the Board of Statutory Auditors (Article 123-bis, letter d-bis of the Consolidated Law on Finance): (i) the Board of Statutory Auditors of the Company has a member of the least represented gender, in compliance with regulations on gender balance; (ii) without prejudice to the professional requirements set out by law, the educational and professional backgrounds of members of the Board of Statutory Auditors currently in office ensure that these individuals have the appropriate profiles and experience to ensure that all functions thereof are executed correctly.

The Chief Executive Officer reported to the Board of Statutory Auditors on their work in a suitable and timely manner as prescribed by law and the Articles of Association, i.e. at least on a quarterly basis, regarding general operational performance and the outlook, as well as on the more significant transactions made by the Issuer and its subsidiaries according to their size and characteristics.

Most of the meetings of the Board of Statutory Auditors were attended by the Issuer's Internal Control, Risk Management and Sustainability Committee and the Internal Audit Supervisor, in order to provide the control bodies with more effective information.

Legislative Decree no. 39/2010, as amended by Legislative Decree no. 135/2016, identifies the Board of Statutory Auditors as the Internal Control and Audit Committee, appointed to carry out the following activities in particular:

- to inform the competent body of the audit outcome and send the latter the additional report, as per Article 11 of Regulation No 537/2014, along with any observations;

- to monitor the financial disclosure process and make recommendations or proposals to ensure the integrity of this process;
- to monitor the effectiveness of internal quality control and business risk management systems and, if applicable, of internal auditing activities, as regards financial disclosures by the organisation subject to audit, without affecting its independence;
- to monitor the auditing of the financial statements and consolidated financial statements, in consideration of any results and findings of quality controls conducted by CONSOB pursuant to Article 26, paragraph 6 of Regulation No 537/2014, where available;
- to verify and monitor the independence of the statutory auditors or independent auditors pursuant to Articles 10, 10-bis, 10-ter, 10-quater and 17 of Legislative Decree no. 39/2010 and of Article 6 of Regulation No 537/2014, in particular as concerns the adequacy of services provided other than those concerned with the auditing of the entity in question, in accordance with Article 5 of the aforementioned Regulation;
- to be responsible for the procedure to appoint the statutory auditors or independent auditors or to recommend the appointment of statutory auditors or independent auditors pursuant to Article 16 of Regulation No 537/2014.

Independence

The Board of Statutory Auditors assesses the independence of its members, also on the basis of the criteria set out in Article 2, Recommendation 7 of the Corporate Governance Code with reference to Directors, after their appointment and subsequently, during their term of office, on an annual basis.

It should be noted that the Board of Statutory Auditors will assess the possible adoption, during the 2022 financial year, of quantitative and/or qualitative criteria to be used for the assessment of the significance of the relationships under examination for the purposes of the independence of auditors, in accordance with the provisions of the Consolidated Law on Finance and the recommendations of the CG Code.

The Board of Statutory Auditors, most recently in its meeting of 17 February 2022, assessing all the circumstances that appear to compromise the independence identified by the Consolidated Law on Finance and the Code and considering all the information made available by each member of the Board of Statutory Auditors, verified that its members continued to meet the independence requirements set out in Recommendation 7 of the Corporate Governance Code and Article 148, paragraph 3, letters b) and c) of the Consolidated Law on Finance, which had already been ascertained at the time of their appointment on 15 April 2021 (and made public in a specific press release).

On 15 April 2021, the Issuer's Board of Directors, without prejudice to the Board's assessment of its own composition, resolved, in the interest of the Company, not to apply the criterion set out in Article 2, Recommendation 7, letter e) of the CG Code (as referred to in Recommendation 9 of Article 2 of the CG Code) with regard to the Standing Statutory Auditor Giovanni Barbara, favouring a profile of substance and taking into account his high level of professionalism and experience, which have proved invaluable to the Issuer over time. This assessment - with reference to Recommendation 7(e) of the Corporate Governance Code - was most recently confirmed at the meeting of 17 February 2022.

Remuneration

As regards remuneration paid during the financial year to administrative and control bodies for any reason and in whatever form, reference is made that illustrated in Section II of the Remuneration Report issued pursuant Article 123-ter of the Consolidated Law on Finance.

Management of interests

Statutory auditors that have a personal interest or interest on behalf of a third party in any of the Issuer's transactions are required to promptly and fully inform the other statutory auditors and the Chairman of the Board of Directors of the nature, terms, origin and scope of their interest.

12. RELATIONSHIPS WITH SHAREHOLDERS

ACCESS TO INFORMATION AND DIALOGUE WITH SHAREHOLDERS

The Company believed it to be in its own specific interest – besides being its duty to the market – to establish a continuous dialogue with the majority of its shareholders, as well as with institutional investors, from the time of its listing on the stock market based on the reciprocal understanding of their respective roles. This relationship must in any case be carried out with respect to the “Procedure for the publication of inside information” described in section 6 above.

It was considered that this relationship with the majority of shareholders and institutional investors could be facilitated via the constitution of dedicated corporate structures, provided with the suitable personnel and organisational resources.

For this purpose, an Investor Relations Department was established to take care of relations with the majority of shareholders and institutional investors, and possibly carry out specific tasks in the management of inside information and in relations with CONSOB and Borsa Italiana S.p.A.

As at the date of the Report, the head of the Investor Relations Department is Raffaele Lupotto. This department can be contacted at: investorrelations@piaggio.com.

The Issuer uses the “eMarket SDIR” circuit in order to disclose regulated information to the public and the centralised storage system “eMarket STORAGE” to store regulated information, which can be accessed at www.emarketstorage.com; the circuit and system are both managed by Spafid Connect S.p.A., with head office in Foro Buonaparte 10, Milan. Reporting activities with regard to investor relations are also ensured, with the most significant corporate documentation made available in a timely and on-going basis on the company’s website, under the section Investors. More specifically, via the website investors can view, in both Italian and English, all press releases to the market, interim financial data approved by competent corporate bodies (annual financial reports, half-year financial reports and interim reports on operations), and documents distributed during meetings with professional investors, analysts and the financial community.

Moreover, the Issuer’s website contains the Articles of Association, documents prepared for Shareholders’ Meetings, communications concerning insider trading, the annual Corporate Governance Report, and any other document that the Issuer is required by regulations in force to publish on its website.

In order to update the market in a timely fashion, the company has set up an email alert service that allows the material published on the website to be received in real time.

Taking into account the Issuer’s current shareholder and organisational structure, the Company has not deemed it necessary to adopt a shareholder dialogue policy.



13. GENERAL MEETINGS

(pursuant to Article 123-bis, paragraph 2, lit. c), Consolidated Law on Finance)

Pursuant to Article 8.2 of the Issuer's Articles of Association, all shareholders registered as of the seventh market trading day prior to the first scheduled date of a Shareholders' Meeting, as notified to the Company within the statutory term by the intermediary responsible by law for the keeping of shareholder accounts, are entitled to attend the shareholders' meeting and exercise their voting rights. To this end, reference is made to the date of the first call, provided it is the dates of any subsequent calls are indicated in the only meeting call; otherwise, reference is made the date of each meeting call.

In accordance with Article 8.3 of the Articles of Association, all subjects with voting right may appoint a proxy to attend and vote on his behalf, by written proxy statement, in accordance with legal regulations. The electronic notification of the proxy may be carried out, in accordance with the methods specified in the meeting notice, sending a message to the certified e-mail box indicated in the meeting notice itself or using a special section of the Company's website.

In addition, Article 8.4 (introduced by the extraordinary shareholders' meeting on 28 June 2019) states that the Company is not required to designate for each Shareholders' Meeting a person to whom the Shareholders may grant a proxy for representation at the Shareholders' Meeting pursuant to Article 135-undecies of the Consolidated Law on Finance.

Ordinary shareholders' meetings are called at least once a year to approve the annual financial statements, by and no later than one hundred and twenty days after the end of the financial year. The shareholders' meeting is also called in ordinary and extraordinary session any time the Board of Directors deems appropriate and in all circumstances envisaged by law. Shareholders' meetings must be called without delay when requested in accordance with law.

Pursuant to Article 7 of the Articles of Association (as amended by the Extraordinary Shareholders' Meeting of 28 June 2019), both ordinary and extraordinary Shareholders' Meetings are called, in accordance with the terms provided for by applicable laws and regulations, by means of a notice published on the Company's website and, if required by the applicable pro tempore regulations, also in extracts, in the Official Gazette of the Italian Republic, in the daily newspaper "Il Sole 24 Ore" or in the daily newspaper "Il Corriere della Sera" containing an indication of the day, time and place of the first and any subsequent calls, as well as the list of items to be discussed, without prejudice to compliance with any other requirement provided for by applicable laws and regulations and the Articles of Association.

The agenda for a Shareholders' Meeting is set by the person or body exercising the power to call the meeting in accordance with law or the Articles of Association. Where a shareholders' meeting is called at the request of shareholders, the agenda will be based on the business specified in the request. If requested by shareholders in accordance with law, additional business will be added to the agenda within the deadline and in the manner contemplated by applicable laws and regulations.

Holders of voting rights may ask questions on business posted in the agenda both before and during the Shareholders' Meeting. Questions submitted before the shareholders' meeting will be answered at the latest during the meeting itself. The Company reserves the right to provide a single reply to questions regarding one and the same matter. The notice convening the meeting indicates the deadline by which questions to submit to the Shareholders' Meeting must be sent to the Company. The deadline may not be earlier than five open market days prior to the date of the Shareholders' Meeting in first or single call, or the record date pursuant to Article 83-sexies, paragraph 2, of the Consolidated Law on Finance (end of the accounting day of the seventh trading day prior to the date set for the Shareholders' Meeting) if the notice of call requires the Company to provide an answer to the questions received before the Shareholders' Meeting. In the latter case, the replies shall be given at least two days prior to the Shareholders' Meeting, and may also be published in a specific section of the Company's Internet site. entitlement to vote can be certified even after the sending of questions provided that this is within the third day following the above record date.

Pursuant to Article 9 of the Articles of Association, the General Meeting of Shareholders is chaired by the Chairman of the Board of Directors, or in his/her absence or impediment, by the sole Deputy Chairman, or if several Deputy

Chairmen hold office, by the Deputy Chairman in office for the longest period of time, or if Deputy Chairmen have been in office for the same period of time, by the most senior. In the absence or impediment of the Chairman, the sole Deputy Chairman, or all Deputy Chairmen, the General Meeting of Shareholders is chaired by a Director or Shareholder appointed by the majority of those present. The Chairman of the General Meeting ascertains the identity and legitimate attendance of those present, that the meeting is legitimate and a necessary quorum is present to ensure the validity of resolutions, and is responsible for conducting the meeting and establishing voting procedures and outcomes.

For the legitimacy of both ordinary and extraordinary Shareholders' Meetings and the validity of shareholders' resolutions, the provisions of law and the Articles of Association apply.

In order to facilitate participation at shareholders' meetings and the exercise of voting rights, under Article 6.2 of the Articles of Association teleconferencing and video conferencing facilities may be used to hold both ordinary and extraordinary shareholders' meeting, with participants located in several remote or nearby venues, providing that decisions are taken by vote and that the principles of good faith and the equal treatment of all shareholders are upheld. The Company does not feel it necessary, at present, to propose the adopting of specific regulations for the proceedings of Shareholders' Meetings, since it also believes it appropriate that in principle Shareholders are ensured the maximum level of participation and expression in discussions at Meetings.

Under Article 17 of the Articles of Association and without prejudice to the provisions of Article 2436 of the Italian Civil Code, the decision-making powers of the Shareholders' Meeting may be delegated to the Board of Directors for resolutions concerning:

- mergers and demergers, where defined as simplified in accordance with Articles 2505, 2505-bis, and 2506-ter, final subsection, of the Italian Civil Code;
- the opening or closing of branches;
- the transfer of the registered head office within the national territory;
- which board directors are to be empowered to represent the Company legally;
- share capital reduction due to withdrawal;
- amendments to the Articles of Association to comply with laws and regulations.

Resolutions concerning the above matters may otherwise be adopted at extraordinary Shareholders' Meetings.

Applicable laws and regulations in force govern the rights of shareholders. The right of withdrawal may only be exercised by shareholders within the limits and in accordance with the mandatory provisions of law and, under Article 3.2 of the Articles of Association, is excluded where the duration of the Company is extended.

The Board reported on activities performed and planned to the shareholders at Shareholders' Meetings, and endeavoured to ensure that shareholders had adequate information regarding the necessary elements to make fully-informed decisions on matters reserved to the Shareholders' Meeting.

During the year, only one Shareholders' Meeting was held on 14 April 2021, in accordance with the procedures set out in Article 106 of Decree-Law no. 18/2020, converted into Law no. 27/2020, on "Measures to strengthen the health service and provide economic support to families, workers and businesses related to the epidemiological emergency caused by COVID-19", at which all the Directors, with the exception of Maria Chiara Carrozza, who was absent with a justified excuse, took part (via telephone connection). The Board reported on activities performed and planned to the shareholders at Shareholders' Meetings, and endeavoured to provide shareholders adequate information regarding the necessary elements to make fully-informed decisions on matters reserved to the Shareholders' Meeting.

The current version of the Articles of Association, most recently amended by the Board of Directors on 28 January 2021, is posted on the Company's website at <https://www.piaggiogroup.com/it/governance/documenti-e-procedure>.

14. ADDITIONAL CORPORATE GOVERNANCE PRACTICES (pursuant to Article 123-bis, paragraph 2, letter a), of the Consolidated Law on Finance)

The Issuer has not adopted any additional corporate governance practices with respect to those required by laws and regulations in force and described in this Report.

15 CHANGES AFTER THE APPLICABLE BALANCE SHEET DATE

No other changes occurred in the corporate governance structure after the balance sheet date, other than those indicated in the specific sections.

16 COMMENTS ON THE LETTER FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

The letter of 3 December 2021 addressed by the Chairman of the Corporate Governance Committee to the Chairmen of the Boards of Directors of Italian listed companies was brought to the attention of the Board of Statutory Auditors and the Board of Directors at the meeting of the administrative body on 2 March 2022.

The Board acknowledged the analyses and recommendations made in the letter and confirmed the overall adequacy of the Company as regards:

- to the inclusion of sustainability in its business activities, the Issuer is committed to improving the overall effectiveness of its operations by placing long-term sustainable development at the centre of its structures and strategies for the benefit and in the interests of its shareholders and all other stakeholders. These considerations have led the Issuer to attribute to the Internal Control, Risk Management and Sustainability Committee the powers regarding sustainability provided for by the Corporate Governance Code (see paragraph 9 of this Report);
- the classification of the Issuer for the purposes of the Corporate Governance Code: the Issuer does not qualify as a Large Company, but qualifies as a Concentrated Ownership Company. For further information, please refer to Section 1 "Profile of the Issuer";
- pre-consultation information; the Board of Directors' Regulation governs the management of information flows to the Board of Directors, in that deadlines are set for the sending of documentation, and their actual compliance is confirmed during the financial year (see paragraph 4.4 of this Report);
- the appointment of directors and the optimal composition of the Board; considering that the Appointment Proposal Committee is separate from the Remuneration Committee, thus ensuring the completeness and timeliness of resolution proposals for the appointment process of corporate bodies and, moreover, by virtue of the renewal of the administrative body during the 2021 financial year, the Appointment Proposal Committee expressed an opinion on the quantitative and qualitative composition of the administrative body considered optimal, as well as on the policy of diversity in the composition of the board itself (despite the fact that this is only required by the CG Code for companies other than concentrated ownership companies, such as Piaggio);
- measures to promote equal treatment and opportunities between genders; for more information on measures to

promote diversity in the Board of Directors and the Board of Statutory Auditors, see Sections 4.2. and 11 of this Report, respectively. In relation to the promotion of equal treatment and opportunities among employees, the Issuer already promotes inclusion, equal treatment and opportunities among genders within the entire corporate organisation, as provided for in its Code of Ethics and Corporate Social Responsibility Report.

- the adequacy of the remuneration policy in defining clear and measurable rules for the disbursement of the variable component, as well as the consistency of the parameters identified for variable remuneration with the strategic objectives of the business and the pursuit of sustainable success (see the Remuneration Report, also for further recommendations on remuneration).

The Board of Directors also took note of the additional recommendations contained in the letter regarding the following issues:

- adoption of a policy for dialogue with the Company's relevant stakeholders; in this regard, the Board considered that the Issuer's current shareholder and organisational structure did not require the adoption of a shareholder dialogue policy;
- application of the principles of independence of Directors and Auditors; in this regard, the Board will evaluate the possible provision, in the course of the 2022 financial year, of quantitative and/or qualitative criteria to be used for assessing the significance of the relationships under examination for the purposes of the independence of Directors and Statutory Auditors, in accordance with the provisions of the Consolidated Law on Finance and the recommendations of the CG Code.

In addition, the Board considered its contribution to the development of strategic plans and oversaw the board review process.



ANNEX 1

TABLE 2: BOARD OF DIRECTORS' COMPOSITIONS AT THE FINANCIAL YEAR CLOSURE DATE

POSITION	COMPO- NENTS	YEAR OF BIRTH	DATE OF FIRST AP- POINTMENT (*)	IN OFFICE SINCE	IN OFFICE UP TO (PRESENTERS) (**)	SLATE (M/M) (***)	EXEC.	NON- EXEC.	INDEP. PART NO.	INDEP. CONSOL- IDATED LAW ON FINANCE	NO. OF OTHER POSITIONS (****)	SHARE- HOLDING (*****)
Chairman and Chief Executive Officer	Roberto Colaninno	1943	23/10/2003	14/04/2021	Shareholders	M	X				6	9/9
Vice Chairman	Matteo Colaninno	1970	23/10/2003	14/04/2021	Shareholders	M		X			3	9/9
Director with powers	Michele Colaninno	1976	28/08/2006	14/04/2021	Shareholders	M	X				10	9/9
Director	Patrizia Albano	1953	16/04/2018	14/04/2021	Shareholders	M		X	X	X	6	8/9
Director	Graziano Giamichele Visentin	1950	13/04/2015	14/04/2021	Shareholders	M		X	X	X	11	9/9
Director	Rita Ciccione	1960	14/04/2021	14/04/2021	Shareholders	M		X	X	X	16	4/6
Director	Andrea Formica	1961	13/04/2015	14/04/2021	Shareholders	m		X	X	X	1	9/9
Director	Federica Savasi	1975	13/04/2015	14/04/2021	Shareholders	M		X			1	9/9
Director	Micaela Vescia	1973	14/04/2021	14/04/2021	Shareholders	M		X	X	X	1	6/6
DIRECTORS NO LONGER IN OFFICE IN THE FINANCIAL YEAR												
-												

Indicate the number of meetings held during the Financial Year: 9
Indicate the quorum required by minorities to submit slates for the election of one or more members (pursuant to art. 147-ter TUF): 1%

NOTES

- The following symbols must be inserted in the "Position" column:
- This symbol indicates the director appointed to oversee the internal control and risk management system.
 - This symbol indicates the Lead Independent Director (LID). (*) The date of the first appointment of each director means the date when the director was appointed for the first time ever to the Board of the Issuer.
 - (*) The date of the first appointment of each director means the date when the director was appointed for the first time ever to the Board of the Issuer.
 - (**) This column indicates whether the slate from which each director was taken was submitted by shareholders (indicating "Shareholders") or by the Board of Directors (indicating "Board").
 - (***) This column indicates whether the slate from which each director is "majority" (indicating "M") or "minority" (indicating "m").
 - (****) This column indicates the number of positions held by the person as director or statutory auditor in other listed companies or of a considerable size. The positions are indicated in full in the Corporate Governance Report.
 - (*****) This column indicates the participation or directors in Board meetings (indicate the number of meetings attended and the total number of meetings the person could have attended' e.g. 6/8; 8/8 etc.).

TABLE 2: COMPOSITION OF THE BOARD OF DIRECTORS IN OFFICE UNTIL APPROVAL OF THE 2020 FINANCIAL STATEMENTS

POSITION	BOARD OF DIRECTORS											
	COMPO- NENTS	YEAR OF BIRTH	DATE OF FIRST AP- POINTMENT (⁽¹⁾)	IN OFFICE SINCE	IN OFFICE UP TO (PRESENTERS) (⁽²⁾)	SLATE (M/M) (⁽³⁾)	EXEC. (⁽⁴⁾)	NON- EXEC.	INDEP. PART NO. LAW ON FINANCE	INDEP. CONSOL- IDATED POSITIONS	NO OF OTHER POSITIONS (⁽⁵⁾)	SHARE- HOLDING (⁽⁶⁾)
Chairman and Chief Executive Officer	Roberto Colaninno	1943	23/10/2003	16/04/2018	Shareholders	M	X				6	3/3
Vice Chairman	Matteo Colaninno	1970	23/10/2003	16/04/2018	Shareholders	M		X			3	3/3
Director with powers	Michele Colaninno	1976	28/08/2006	16/04/2018	Shareholders	M	X				10	3/3
Director	Patrizia Albano	1953	16/04/2018	16/04/2018	Shareholders	M		X	X		4	3/3
Director	Graziano Gianmichele Visentin	1950	13/04/2015	16/04/2018	Shareholders	M		X	X		11	3/3
Director	Maria Chiara Carrozza	1965	13/04/2015	16/04/2018	Shareholders	M		X	X		0	3/3
Director	Andrea Formica	1961	13/04/2015	16/04/2018	Shareholders	m		X	X		0	3/3
Director	Federica Savasi	1975	13/04/2015	16/04/2018	Shareholders	M		X			1	3/3
Director	Giuseppe Tesauro	1942	13/04/2015	16/04/2018	Shareholders	M		X	X		0	1/3
DIRECTORS NO LONGER IN OFFICE IN THE FINANCIAL YEAR												
-												

Indicate the number of meetings held during the Financial Year: 3

Indicate the quorum required by minorities to submit slates for the election of one or more members (pursuant to art. 147-ter TUF): 1%

NOTES

The following symbols must be inserted in the "Position" column:

• This symbol indicates the director appointed to oversee the internal control and risk management system.

◦ This symbol indicates the Lead Independent Director (LID).

(⁽¹⁾) The date of the first appointment of each director means the date when the director was appointed for the first time ever to the Board of the Issuer.

(⁽²⁾) This column indicates whether the slate from which each director was taken was submitted by shareholders (indicating "Shareholders") or by the Board of Directors (indicating "Board").

(⁽³⁾) This column indicates whether the slate from which each director was taken is "majority" (indicating "M") or "minority" (indicating "m").

(⁽⁴⁾) This column indicates the number of positions held by the person as director or statutory auditor in other listed companies or of a considerable size. The positions are indicated in full in the Corporate Governance Report.

(⁽⁵⁾) This column indicates the participation or directors in Board meetings (indicate the number of meetings attended and the total number of meetings the person could have attended; e.g. 6/8; 8/8 etc.).

TABLE 3: COMPOSITION OF BOARD COMMITTEES AT THE FINANCIAL YEAR CLOSURE DATE

BOARD OF DIRECTORS	EXECUTIVE COMMITTEE	OPC COMMITTEE	INTERNAL CONTROL AND RISK MANAGEMENT COMMITTEE	REMUNERATIONS COMMITTEE	NOMINATIONS COMMITTEE	OTHER COMMITTEE	OTHER COMMITTEE	
POSITION/ QUALIFICA- TION	COMPONENTS (*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Director	Graziano Gianmichele Visentin	1/1 C	12/12 C	1/1 M	1/1 C			
Director	Rita Ciccione	1/1 M	6/10 M	0/0 C	0/0 M			
Director	Andrea Formica	1/1 M		1/1 M				
Director	Micaela Vescia		9/10 M		0/0 M			
DIRECTORS NO LONGER IN OFFICE IN THE FINANCIAL YEAR								
Executive/ non-executive Director - independent from TUF and/ or from Code/ not independent	Name Surname							
Manager of the Issuer/ Other	Name Surname							
No of meetings held in the Financial Year:		1	12	1	1			1

AND MEMBERS WHO ARE NOT DIRECTORS

NOTES

(*) This column indicates the participation or directors in Board meetings (indicate the number of meetings attended and the total number of meetings the person could have attended; e.g. 6/8; 8/8 etc.).

(**) This column indicates the position of the director on the Committee: "C": Chairman; "M": member.

TABLE 3: COMPOSITION OF BOARD COMMITTEES IN OFFICE UNTIL APPROVAL OF THE 2020 FINANCIAL STATEMENTS

BOARD OF DIRECTORS	EXECUTIVE COMMITTEE	OPC COMMITTEE	INTERNAL CONTROL AND RISK MANAGEMENT COMMITTEE	REMUNERATIONS COMMITTEE	NOMINATIONS COMMITTEE	OTHER COMMITTEE	OTHER COMMITTEE		
POSITION/ QUALIFICA- TION	COMPONENTS (*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	
Director	Graziano Gianmichele Visentin	0	M	2/2	C	1/1	M	1/1	M
Director	Giuseppe Tesauro	0	C	0/2	M	0/1	C	0/1	C
Director	Andrea Formica	0	M	2/2	M	1/1	M		
Director	Maria Chiara Carrozza					1/1	M		
DIRECTORS NO LONGER IN OFFICE IN THE FINANCIAL YEAR									
-									
AND MEMBERS WHO ARE NOT DIRECTORS									
-									
No of meetings held in the Financial Year:		0	2	1	1	1			

NOTES

(**) This column indicates the participation or directors in Board meetings (indicate the number of meetings attended and the total number of meetings the person could have attended; e.g. 6/8; 8/8 etc).

(**) This column indicates the position of the director on the Committee: "C": Chairman; "M": member.

TABLE 4: COMPOSITION OF THE BOARD OF STATUTORY AUDITORS AT THE FINANCIAL YEAR CLOSURE DATE

POSITION	BOARD OF STATUTORY AUDITORS							NO. OF OTHER POSITIONS (****)			
	COMPONENTS	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT (*)	IN OFFICE SINCE	IN OFFICE UP TO	LIST (M/M) (**)	INDEP. PART NO. (***)		INVOLVEMENT IN BOARD MEETINGS (***)		
Chairman	Piera Vitali	1949	13/04/2015	14/04/2021	Approval of 31.12.2023 Financial Statements	m	X	7/7	4 ⁽¹⁾		
Statutory auditor standing	Giovanni Barbara	1960	13/07/2004	14/04/2021	Approval of 31.12.2023 Financial Statements	M	X	7/7	35 ⁽¹⁾		
Statutory auditor standing	Massimo Giaconia	1959	14/04/2021	14/04/2021	Approval of 31.12.2023 Financial Statements	M	X	5/5	14 ⁽²⁾		
Alternate auditor	Fabrizio Piercarlo Bonelli	1960	16/04/2018	14/04/2021	Approval of 31.12.2023 Financial Statements	m	X	-	-		
Alternate auditor	Gianmarco Losi	1964	16/04/2018	14/04/2021	Approval of 31.12.2023 Financial Statements	M	X	-	-		
Alternate auditor	-	-	-	-	AUDITORS NO LONGER IN OFFICE DURING THE FINANCIAL YEAR						
Alternate auditor	-	-	-	-	-	-	-	-	-		

Indicate the number of meetings held during the Financial Year.7

Indicate the quorum required by minorities to submit slates for the election of one or more members (pursuant to art. 148-ter TUF):1%

NOTES

(1) The date of the first appointment of each auditor means the date when the auditor was appointed for the first time (in absolute terms) to the Board of Statutory Auditors of the Issuer.

(**) This column indicates whether the slate from which each Auditor was taken is "majority" (indicating "M"), or "minority" (indicating "m").

(***) This column indicates the participation of auditors in meetings of the Board of Statutory Auditors (indicate the number of meetings attended and the total number of meetings the person could have attended; e.g. 6/8; 8/8 etc.).

(****) This column indicates the number of director or auditor positions held by the person pursuant to article 148-bis TUF and the relative provisions for enactment contained in the Consob Issuers Regulation.

The full list of positions is published by the Consob on its website pursuant to article 144-quinquiesdecies of the Consob Issuers' Regulation.

⁽¹⁾ Related to the auditors Piera Vitali and Giovanna Barbara the total number of positions held are indicated.

⁽²⁾ Related to the auditor Massimo Giaconia, the number of positions held pursuant to article 148-bis TUF is indicated.

TABLE 4: COMPOSITION OF THE BOARD OF STATUTORY AUDITORS IN OFFICE UNTIL APPROVAL OF THE 2020 FINANCIAL STATEMENTS

POSITION	BOARD OF STATUTORY AUDITORS							LIST (M/M) (**)	INDEP. PART NO. (***)	INVOLVEMENT INBOARD MEETINGS (****)	NO. OF OTHER POSITIONS (****)
	COMPONENTS	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT (*)	IN OFFICE SINCE	IN OFFICE UP TO	IN OFFICE SINCE	IN OFFICE UP TO				
Chairman	Piera Vitale	1949	13/04/2015	16/04/2018	Approval of 31.12.2020 Financial Statements	m	X	2/2	5		
Statutory auditor standing	Giovanni Barbara	1960	13/07/2004	16/04/2018	Approval of 31.12.2020 Financial Statements	M	X	2/2	10		
Statutory auditor standing	Daniele Girelli	1960	13/04/2015	16/04/2018	Approval of 31.12.2020 Financial Statements	M	X	2/2	3		
Alternate auditor	Fabrizio Piercarlo Bonelli	1960	16/04/2018	16/04/2018	Approval of 31.12.2020 Financial Statements	m	X				
Alternate auditor	Gianmarco Losi	1964	16/04/2018	16/04/2018	Approval of 31.12.2020 Financial Statements	M	X				
AUDITORS NO LONGER IN OFFICE DURING THE FINANCIAL YEAR											
-											

Indicate the number of meetings held during the Financial Year.2

Indicate the quorum required by minorities to submit slates for the election of one or more members (pursuant to art. 148-ter TUF):1%

NOTES

(*) The date of the first appointment of each auditor means the date when the auditor was appointed for the first time (in absolute terms) to the Board of Statutory Auditors of the Issuer.

(**) This column indicates whether the slate from which each Auditor was taken is "majority" (indicating "M"), or "minority" (indicating "m").

(***) This column indicates the participation of auditors in meetings of the Board of Statutory Auditors (indicate the number of meetings attended and the total number of meetings the person could have attended; e.g. 6/8; 8/8 etc.).

(****) This column indicates the number of director or auditor positions held by the person pursuant to article 148-bis TUF and the relative provisions for enactment contained in the Consob Issuers Regulation. The full list of positions is published by the Consob on its website pursuant to article 144-quinquiesdecies of the Consob Issuers' Regulation.





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