



**Piaggio & C. S.p.A.**

**Explanatory Memorandum**

**Report on Remuneration Policy and Compensation Paid pursuant to article 123-ter  
Legislative Decree 58/1998.  
Related and consequent resolutions.**

Dear Shareholders,

the Board of Directors of Your Company has called you to a Shareholders' Meeting to present this report on remuneration policy and compensation paid ("**Remuneration Report**" or "**Report**") has been prepared pursuant to Article 123-*ter* Legislative Decree no. 58 of 24 February 1998 ("**TUF**") – as most recently amended by Legislative Decree 49/2019 ("**L.D. 49/2019**"), implementing Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 (the so-called *Shareholders' Rights Directive II*), amending Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies with regard to the encouragement of long-term shareholder engagement (the "**SHRD**" or the "**Directive**") – and art. 84-*quater* of the CONSOB regulations adopted by resolution no. 11971 of 14 May 1999 ("**Issuers' Regulations**"). It has been prepared in accordance with Annex 3A, Schedule 7-*bis* of the Issuers' Regulations, as most recently amended to implement the SHRD.

The Remuneration Report is divided into the following sections:

- (a) Section I – in accordance with Article 123-*ter* of the Consolidated Law on Finance and Article 9-*bis* of the Directive – illustrates the Company's policy on the remuneration of the members of the board of directors, general managers and key management personnel (if appointed) and of the members of the Company's control body, taking into account the *governance* system adopted by the Company as well as the procedures used for the adoption, review and implementation of such policy, including the measures aimed at avoiding or managing possible conflicts of interest.

In addition, pursuant to Article 84-*quater*, paragraph 2-*bis*, of the Issuers' Regulations, the remuneration policy described in Section I of the Report:

- indicates how it contributes to the Company's business strategy, long-term interests and sustainability, and is determined by taking into account the remuneration and working conditions of the Company's employees;
- defines the different components of remuneration that may be awarded; where variable remuneration is awarded, establish clear, comprehensive and differentiated criteria for the award of such remuneration, based on financial and non-financial performance objectives, where appropriate taking into account CSR-related criteria;
- specifies the elements of the policy from which – in the event of exceptional circumstances indicated in art. 123-*ter*, paragraph 3-*bis*, of the TUF – it is possible to temporarily deviate as well as the procedural conditions under which the derogation may be applied, without prejudice to the provisions of Consob Regulation no. 17221/2010 on related party transactions;

- (b) Section II contains the individual remuneration for directors, members of the board of statutory auditors and general managers and in aggregate form for key managers (where appointed):

- it provides an adequate, clear and understandable representation of each of the items that make up the remuneration, including benefits in the event of termination of office or termination of employment (if any), highlighting their compliance with the Company's remuneration policy for the year in question and the ways in which remuneration contributes to the Company's long-term results;

it illustrates in detail the remuneration paid in the reporting year for whatever reason and in whatever form by the Company and its subsidiaries or associates.

Moreover, Section II contains information on the equity investments held, in the issuer and its subsidiaries, by members of the administration and control bodies, senior managers and other key managers (where appointed), as well as their not-legally separated spouses and children (minors), directly or via subsidiaries, trusts or intermediaries, in accordance with the provisions of art. 84-*quater* of the Consob Regulation on Issuers.

The following should be noted:

- the remuneration policy, as described in Section I of the Report, has been drafted on the assumption that the next Shareholders' Meeting, convened in extraordinary session, will approve the new text of the Articles of Association and thus the adoption of the so-called 'one-tier' administration and control system pursuant to Article 2409-*sexiesdecies* of the Italian Civil Code in place of the 'traditional' system, and the further proposed amendments to the Articles of Association. This policy, therefore, amends the remuneration policy approved by the Company's Ordinary Shareholders' Meeting of 18 April 2023, both to take into account the provisions of the new Articles of Association in relation to the adoption of the so-called "one-tier" *governance* system, and also to include certain clarifications with particular reference to the variable remuneration of executive directors, also in order to align them with the current structure of proxies;
- in Section II of the Report, as it relates to the financial year 2023, references to the so-called traditional *governance* structure (Board of Directors and Board of Statutory Auditors, bodies that will remain in office until the new *governance system* is effective and therefore until the registration of the resolution of the Extraordinary Shareholders' Meeting mentioned above in the Company Register) will remain.

The Remuneration Report will be made available to the public at the Company's head office, on the Company's website [www.piaggiogroup.com](http://www.piaggiogroup.com) (Governance/Shareholders' Meetings), and through the authorised storage system "eMarket STORAGE", at [www.emarketstorage.it](http://www.emarketstorage.it) - at least twenty-one days prior to the date of the Shareholders' Meeting convened on first call.

\* \* \*

Shareholders are reminded that, in accordance with art. 123-*ter*, paragraph 3-*bis* of the Consolidated Law on Finance, they will be called upon to vote for or against Section I of the Remuneration Report, by binding resolution in accordance with art. 123-*ter*, paragraph 3-*ter* of the Consolidated Law on Finance.

The Shareholders will also be called upon, pursuant to Article 123-*ter*, paragraph 6, of the TUF, to resolve on Section II of the Remuneration Report, with a non-binding resolution. The result of the

vote will be made available to the public within the legal deadline pursuant to articles 123-ter, paragraph 6, and 125-quater, paragraph 2, of the Consolidated Law on Finance.

We therefore propose for your approval the following draft resolutions:

**-First resolution-**

*"The Ordinary Shareholders' Meeting of Piaggio & C. S.p.A., having examined the report of the Board of Directors drawn up in accordance with article 123-ter of Legislative Decree no. 58/1998, for the purposes established by paragraph 3-ter of the said law, and therefore with binding resolution,*

**RESOLVES**

- *to approve the first section of the Report on Remuneration Policy and Remuneration Paid, prepared in accordance with article 123-ter of Legislative Decree no. 58/1998 and other applicable regulations."*

**-Second resolution-**

*"The Ordinary Shareholders' Meeting of Piaggio & C. S.p.A., having examined the report of the Board of Directors drawn up in accordance with article 123-ter of Legislative Decree no. 58/1998, for the purposes established by paragraph 6 of the said law, and therefore with non-binding resolution,*

**RESOLVES**

- *to approve the second section of the Report on Remuneration Policy and Remuneration Paid, prepared in accordance with article 123-ter of Legislative Decree no. 58/1998 and other applicable regulations."*

Mantova, 4 March 2024

For the Board of Directors

The Chairman  
(Matteo Colaninno)