

REPORT ON CORPORATE GOVERNANCE AND CORPORATE OWNERSHIP 2023



PIAGGIO
GROUP

Piaggio & C. S.p.A.

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

Financial year to which the Report refers: 2023
Report approval date: 4 March 2024

→ TABLE OF CONTENTS

GLOSSARY	3
1. ISSUER PROFILE	5
2. INFORMATION ON OWNERSHIP (PURSUANT TO ARTICLE 123-BIS OF THE CONSOLIDATED LAW ON FINANCE) AS OF 31/12/2023	6
A) STRUCTURE OF SHARE CAPITAL (ARTICLE 123-BIS, SECTION 1, LETTER A) OF THE CONSOLIDATED LAW ON FINANCE)	6
B) RESTRICTIONS ON THE TRANSFER OF SECURITIES (ARTICLE 123-BIS, PARAGRAPH 1, LETTER B) OF THE CONSOLIDATED LAW ON FINANCE)	6
C) SIGNIFICANT INVESTMENTS IN CAPITAL (ARTICLE 123-BIS, SECTION 1, LETTER C) OF THE CONSOLIDATED LAW ON FINANCE)	6
D) SECURITIES THAT GRANT SPECIAL RIGHTS (ARTICLE 123-BIS, PARAGRAPH 1, LETTER D) OF THE CONSOLIDATED LAW ON FINANCE)	7
E) EMPLOYEE SHARE OWNERSHIP: EXERCISING OF VOTING RIGHTS (ARTICLE 123-BIS, PARAGRAPH 1, LETTER E) OF THE CONSOLIDATED LAW ON FINANCE)	7
F) RESTRICTIONS ON VOTING RIGHTS (ARTICLE 123-BIS, PARAGRAPH 1, LETTER F) OF THE CONSOLIDATED LAW ON FINANCE)	7
G) SHAREHOLDER AGREEMENTS (ARTICLE 123-BIS, SECTION 1, LETTER G) OF THE CONSOLIDATED LAW ON FINANCE)	7
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)	7
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)	8
L) MANAGEMENT AND COORDINATION ACTIVITIES (PURSUANT TO ARTICLE 2497 AND FOLLOWING OF THE ITALIAN CIVIL CODE)	9
3. COMPLIANCE	10
4. BOARD OF DIRECTORS	10
4.1 ROLE OF THE BOARD OF DIRECTORS (PURSUANT TO ARTICLE BIS, PARAGRAPH 2, LETTER D), OF THE CONSOLIDATED LAW ON FINANCE)	10
4.2 APPOINTMENT AND REPLACEMENT OF DIRECTORS (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 1, LETTER L), OF THE CONSOLIDATED LAW ON FINANCE)	12
4.3 COMPOSITION (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2, LETTER D) AND D-BIS, CONSOLIDATED LAW ON FINANCE)	15
4.4 FUNCTIONING OF THE BOARD OF DIRECTORS (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2, LETTER D), OF THE CONSOLIDATED LAW ON FINANCE)	20
4.5 ROLE OF THE ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2, LETTER D) OF THE CONSOLIDATED LAW ON FINANCE	22
4.6 EXECUTIVE DIRECTORS	23
4.7 INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTOR	27
5. MANAGEMENT OF CORPORATE INFORMATION	29
5.1 PROCEDURE FOR THE DISCLOSURE OF INSIDE INFORMATION	29
5.2 PROCEDURE FOR MANAGEMENT OF THE INSIDERS LIST	29
5.3 PROCEDURE FOR THE FULFILMENT OF INSIDER TRADING OBLIGATIONS	30
6. INTERNAL BOARD COMMITTEES (PURSUANT TO ARTICLE 123-BIS, SUBSECTION 2(D), CONSOLIDATED LAW ON FINANCE	32

7. SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS - APPOINTMENT PROPOSAL COMMITTEE	33
7.1 SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS	33
7.2 APPOINTMENT PROPOSALS COMMITTEE	34
8. REMUNERATION OF DIRECTORS – REMUNERATION COMMITTEE	35
8.1 REMUNERATION OF DIRECTORS	35
8.2 REMUNERATION COMMITTEE	35
9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM	37
9.1 CHIEF EXECUTIVE OFFICER	38
9.2 INTERNAL CONTROL, RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE	38
9.3 HEAD OF THE INTERNAL AUDITOR FUNCTION	40
9.4 ORGANISATIONAL MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001	41
9.5 INDEPENDENT AUDITORS	42
9.6 EXECUTIVE IN CHARGE OF FINANCIAL REPORTING AND OTHER CORPORATE ROLES AND FUNCTIONS	42
9.7 COORDINATION BETWEEN PERSONS INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM	43
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)	44
10. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES	48
11. BOARD OF STATUTORY AUDITORS	50
11.1 APPOINTMENT AND REPLACEMENT OF STATUTORY AUDITORS	50
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)	52
12. RELATIONSHIPS WITH SHAREHOLDERS	56
13. GENERAL MEETINGS (PURSUANT TO ARTICLE 123- BIS, PARAGRAPH 2, LIT. C), CONSOLIDATED LAW ON FINANCE)	57
14. ADDITIONAL CORPORATE GOVERNANCE PRACTICES (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2, LETTER A), OF THE CONSOLIDATED LAW ON FINANCE)	59
15. CHANGES AFTER THE APPLICABLE BALANCE SHEET DATE	59
16. COMMENTS ON THE LETTER FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE	59
ATTACHMENT 1	62
ATTACHMENT 2:	66

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.

C.c.: the Italian 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 2023 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 Remuneration Paid" prepared pursuant to Article 123-ter of the Consolidated Law on Finance and Article 84-quater of the Consob Regulation on Issuers, available pursuant to law at the Issuer's registered office, at the Issuer's website at www.piaggiogroup.com as well as at the authorised "eMarket Storage" available at www.emarketstorage.it.

Concentrated Ownership Company: a 'concentrated ownership company' as referred to in the CG Code, i.e. a company in which one or more shareholders participating in a shareholders' voting agreement hold, directly or indirectly (through subsidiaries, trusts or intermediaries), a majority of the votes exercisable at an ordinary shareholders' meeting.

Large Company: a 'large company' as defined in the CG Code, i.e. a company whose capitalisation exceeded Euro 1 billion on the last trading day of each of the three preceding calendar years.

Articles of Association: the Articles of Association of the Issuer in force on the Date of the Report

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 segment with the Ape®, Piaggio Porter® e Quargo® vehicles.

During the course of the financial year, the Issuer was organised according to the traditional administration and control model pursuant to Articles 2380-bis and following of the Italian Civil Code, with the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors.

In this regard, it should be noted that the Shareholders' Meeting called to approve the financial statements for the financial year and to renew the corporate bodies will also be convened in an extraordinary session to approve the adoption of the one-tier administration and control system pursuant to Article 2409-sexiesdecies of the Italian Civil Code and the consequent amendments to the Articles of Association. The adoption of the one-tier governance system, if approved by the Shareholders' Meeting, will be implemented with the renewal of the corporate bodies by the same Shareholders' Meeting.

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 Non-financial Statement and the Code of Ethics published on the Issuer's website, 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 prepares, on a mandatory basis, the Non-Financial Statement, published as an attachment to the Annual Financial Report, (available on the Issuer's website in the Section "Financial Statements and Reports", to which reference is made for further information), which presents the main policies adopted by the company, the management models and the main activities carried out by the Group during the Financial Year in relation to the issues expressly referred to by Legislative Decree 254/16 (environmental, social, personnel-related, respect for human rights, fight against corruption), as well as the main identified risks related to the aforementioned issues.

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 the provisions of the Corporate Governance Code, at the Date of the Report the Issuer was configured as a Large Company and a Concentrated Ownership Company (see Sections 4.3 and 7.2 of the Report for the flexibility options used). In this regard, it should be noted that, as Piaggio exceeded the amount of Euro 1 billion capitalisation for the third year running, the Company, as of 31 December 2023, has acquired the status of "large company" and will be required to apply the recommendations of the CG Code addressed to this category of companies starting from the second financial year after the relative size condition is met and, therefore, from the financial year 2025.

2. INFORMATION ON OWNERSHIP (PURSUANT TO ARTICLE 123-BIS OF THE CONSOLIDATED LAW ON FINANCE) AS OF 31/12/2023

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 354,632,049 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	354.632.049	100	354.632.049	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 and following 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 of 31 December 2023, as well as at the Date of the Report, material investments in the Issuer's capital, according to the communications made pursuant to Article 120 of the Consolidated Law on Finance and the specific communications received by the Issuer, were as follows:

MATERIAL INVESTMENTS IN CAPITAL

DECLARER	DIRECT SHAREHOLDER	% OF ORDINARY SHARE CAPITAL	% OF SHARES WITH VOTING RIGHTS
IMMSI S.p.A.	IMMSI S.p.A.	50.57	50.57
Diego della Valle	Diego della Valle & C. S.r.l.	5.59	5.59

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 2023 and the date of the Report, there were no agreements between Company shareholders with a 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 2023 (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 Revolving Credit Facility for a total amount of Euro 200 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 loan agreement with the European Investment Bank, totalling Euro 60 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 Term Loan and Revolving Credit Facility with Banca Popolare Emilia Romagna for Euro 35 million;
- a loan agreement with BNL totalling EUR 24 million;
- a credit line agreement with Intesa San Paolo for Euro 20 million;
- term loan agreements (Schuldschein Loans) with international banks totalling EUR 115 million;
- a loan agreement with Oldenburgische Landesbank for Euro 15 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 18 April 2023 the Shareholders' Meeting resolved to authorise treasury share purchase and disposal transactions - after revoking a similar authorisation granted by the Shareholders' Meeting of 11 April 2022 - 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 Regulation on Issuers 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 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.

Pursuant to the aforementioned mandate, the Board of Directors' Meeting held on 18 April 2023, following the aforementioned Shareholders' Meeting, approved the launch of a new share buyback programme, not yet completed as of the Date of the Report, to be implemented under the terms, conditions and procedures set forth in the aforementioned Shareholders' Meeting resolution, also in several tranches by 17 October 2024 and up to a maximum of no. 10,657,000 ordinary shares of the Company, with no stated par value, for a maximum countervalue set at Euro 41,500,000, taking into account the average share price of the last 30 days of the open market, and therefore, contained within the legal limits (20% of the share capital, pursuant to Article 2357, paragraph 3, of the Italian Civil Code).

As of 31 December 2023 and the Date of the Report, the Company held 426,161 treasury shares in its portfolio, representing 0.12% of the share capital.

For further information on the share buyback programme, please refer to the minutes of the aforementioned Ordinary Shareholders' Meeting and the Board of Directors' Explanatory Report available on the Company's website at www.piaggiogroup.com in the Section "Governance - Shareholders' Meetings".

L) MANAGEMENT AND COORDINATION ACTIVITIES (pursuant to Article 2497 and following of the Italian Civil Code)

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

As a company subject to management and coordination by another company, the Issuer is subject to the provisions of Article 16 of the Consob Market Regulations. 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".

With regard to the information required by Article 123-bis, paragraph 1, letter l), Part I and Part II of the Consolidated Law on Finance concerning the "Rules applicable to the appointment and replacement of directors, members of the management board or supervisory board, as well as to the amendment of the articles of association, if different from the laws and regulations applicable by way of supplementary provisions", indications are given respectively in the section of the Report 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.

The concrete application of the principles of the CG Code, as well as deviations and their reasons, are illustrated in the various sections of the Report; reference is made to Appendix 2 of this Report for a summary of the level of implementation of the Code.

4. BOARD OF DIRECTORS

In this section, reference is made to the statutory provisions in force at the Date of the Report; please refer to section 1 “Issuer Profile” in relation to the proposal to adopt the one-tier governance system pursuant to Article 2409-sexiesdecies of the Italian Civil Code that will be submitted to the Issuer’s next Extraordinary Shareholders’ Meeting.

4.1 ROLE OF THE BOARD OF DIRECTORS (pursuant to article 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’ Rules of Service (the “**Board of Directors’ Rules of Service**”), 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’ Rules of Service, 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 of Directors’ Rules of Service 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 matters 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).

It should be noted that the Issuer, taking into account Piaggio's current shareholder base and organisational structure, has not so far adopted a shareholder engagement policy, postponing the assessment of whether to adopt such a policy to the year 2024, in line with the recommendation of the CG Code.

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 scope of this activity, the Board was assisted, where appropriate, by the Internal Control, Risk Management and Sustainability Committee, the Internal Audit Manager and the auditing company IMMSI Audit S.c.a.r.l., the Financial Reporting Officer, and by the procedures and checks implemented also pursuant to 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).

In addition, pursuant to Article 17.3 of the Articles of Association, the Board of Directors, subject to the mandatory opinion of the Board of Statutory Auditors, appoints and withdraw from office the Financial Reporting Officer, who is given the powers and functions established by law and other applicable provisions, as well as 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 Regulation on Issuers¹.

In particular, according to the aforementioned legislation applicable at the Date of the Report, at least two fifths of the elected members must be from the least represented gender.

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. In this regard, it should be noted that the Shareholders' Meeting called to approve the financial statements for the financial year and to renew the corporate bodies will also be convened in an extraordinary session to approve the adoption of the one-tier administration and control system pursuant to Article 2409-sexiesdecies of the Italian Civil Code and the consequent amendments to the Articles of Association. The adoption of the one-tier governance system, if approved by the Shareholders' Meeting, will be implemented with the renewal of the corporate bodies by the same Shareholders' Meeting.

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; of these directors, a minimum number corresponding to the minimum provided for in regulations must meet the independence requirements of Article 148(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, 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 lists. The endorsements and votes cast in breach of such prohibition shall not be assigned to any list.

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."

In addition, pursuant to paragraph 3 of Article 144-undecies.1 of the Regulation on Issuers, as last amended by Consob Resolution no. 21359 of 13 May 2020, "if the application of the allocation criterion between genders does not result in a whole number of members of the administration or control bodies belonging to the least represented gender, such number shall be rounded up to the next higher unit, with the exception of corporate bodies made up of three members for which the rounding down shall be to the next lower unit."

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. By executive resolution of the Head of Corporate Governance no. 92 of 31 January 2024, Consob set the relative share capital threshold required to nominate candidates on lists for election to the Management Board of Issuers at 2.5% (two point five per cent). 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 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. Lists that fail to comply with the aforesaid legal provisions shall be deemed as not having been submitted; 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 legislation in force at the time 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.

According to the Articles of Association, there is no possibility for the outgoing Board to submit 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 further information on the above provisions, please refer to the Articles of Association available on the company's website www.piaggiogroup.com in the Section "Governance/Documents and Procedures", and to the authorised "eMarket Storage" mechanism available at www.emarketstorage.it.

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

4.3 COMPOSITION (pursuant to 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 Shareholders' Meeting, after setting the number of members of the Board of Directors at nine, appointed the directors in office for the three-year period 2021 - 2023 and thus until the approval of the financial statements as at 31 December 2023, based on the lists submitted by the shareholders. Following the death on 18 August 2023 of the Chairman and Chief Executive Officer Roberto Colaninno, appointed by the above-mentioned Shareholders' Meeting, on 1 September 2023 the Board of Directors co-opted, pursuant to Article 2386 of the Italian Civil Code and Article 12.5 of the Articles of Association, a new Director [Carlo Zanetti] in office until the Shareholders' Meeting called to approve the financial statements as at 31 December 2023. The aforesaid co-optation took place upon the proposal of the Appointment Proposal Committee which met on 30 August 2023, taking into account that (i) in the majority list presented by the shareholder Immsi S.p.A. at the Ordinary Shareholders' Meeting held on 14 April 2021, there were no unelected candidates capable of assuming the position of director (the unelected candidate Giuseppe Tesauro having died in July 2021); (ii) the current board of directors already complied with the number of independent directors required by the applicable provisions as well as the gender balance.

Therefore, at the end of the Financial Year and at the Date of the Report, there were 8 Directors appointed by the Ordinary Shareholders' Meeting held on 14 April 2021, in addition to 1 co-opted Director appointed by the Board of Directors' meeting held on 1 September 2023.

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 at the end of the financial year and at the date of the Report were therefore as follows²:

- Matteo Colaninno (Executive Chairman);
- Michele Colaninno (Chief Executive Officer);
- Federica Savasi (Non-executive Director);
- Carlo Zanetti (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 Attachment 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

With regard to the company's diversity policies applied in relation to the composition of the Board of Directors (at the end of the Reporting Period and at the Date of the Report) concerning aspects such as age, gender composition and educational and professional background (Article 123-bis, letter d-bis, of the Consolidated Law on Finance), the outgoing Board of Directors, in view of the Shareholders' Meeting called for the renewal of the corporate bodies, at the meeting of 4 March 2024, on the proposal of the Appointment Proposal Committee, provided guidance on the quantitative and qualitative composition of the Board of Directors deemed optimal (also in compliance with Recommendation 23 of the Corporate Governance Code, albeit addressed to companies other than Companies with Concentrated Ownership such as Piaggio) and some indications for shareholders on the diversity policy in the composition of the Board of Directors (also pursuant to Principle VII and Recommendation 8 of the Corporate Governance Code).

In particular, the Board of Directors, taking into account the results of the self-assessment referred to in section 7 below, decided to provide the following indications, included 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 for the Financial Year and published on the Issuer's website www.piaggiogroup.com in the Section "Governance - Shareholders' Meeting", also taking into account the proposal to adopt the one-tier system of governance pursuant to Article 2409-sexiesdecies of the Italian Civil Code, which will be submitted to the Issuer's next Extraordinary Shareholders' Meeting (see section 1 "Issuer Profile"):

- considering the size and activities of the Company, the number of Directors of the current board (9) is considered adequate;
- Directors must meet the professional requirements set forth 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;
- pursuant to Article 16 of the Consob Market Regulations, the majority of the Directors must meet the independence requirements pursuant to the law and the Corporate Governance Code, also in order to ensure the correct composition of the board Committees and the Management Control Committee: 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

2. In this regard, it should be noted that the Ordinary Shareholders' Meeting held on 14 April 2021 appointed the Directors Matteo Colaninno, Michele Colaninno, Graziano Gianmichele Visentin, Rita Ciccone, Patrizia Albano and Federica Savasi, in addition to the late Director Roberto Colaninno. All the above Directors were 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.

- 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 positions of Chairman and Chief Executive Officer, as well as the balance between executive and non-executive members, it is considered that (a) the Chairman is a member with (i) authority to perform the office or, in any case, has characteristics such as to ensure, during the term of office, proper and transparent management of the functioning of the Board of Directors, thus representing a position capable of enhancing the interests of all Shareholders, as well as a point of reference to manage engagement with the latter and stakeholders; (ii) ability to foster the integration of the different skills and experience of the Directors working in synergy with the Chief Executive Officer. It is also deemed appropriate for the Chairman to be vested, in addition to the powers envisaged for this role by the law, the Articles of Association and the Board of Directors' Rules of Service, with delegated powers in the area of institutional relations and, together with the Chief Executive Officer, in defining the strategic plan; (b) the Chief Executive Officer – who should be given broad management powers – should have, in addition to authority, entrepreneurial skills and sensitivity to sustainability issues, knowledge of the Company's business and previous experience in managing listed companies; (c) 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.

As regards the composition of the Board of Directors in office: (i) the Company Board 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 be of the less represented gender (rounded up to the higher unit); (ii) Board members vary in age, from 74 to 48 years; (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.

It should be noted that the Company promotes inclusion, equal treatment and opportunities between genders within the entire corporate organisation, as provided for in its Code of Ethics and in the Non-Financial Statement (both available on the Issuer's website www.piaggiogroup.com, in the Sections 'Governance/Code of Ethics' and 'Financial Statements and Reports' respectively).

Maximum accumulation of offices held in other companies

The Board has not deemed it necessary to define general criteria on the maximum number of directorships and auditing positions in other companies that can be considered compatible with the effective performance of the role of Director of the Issuer (also taking into account the circumstance that Recommendation 15 of the CG Code, which recommends the definition of a guideline on the maximum number of directorships for large companies, will be applicable to Piaggio starting from the 2025 financial year), without prejudice to the duty of each Director to assess the compatibility of the positions of director and statutory auditor, held in other companies listed on regulated markets or of a significant size, with the diligent performance of the duties undertaken as Director of the Issuer.

In the meeting of 4 March 2024, 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
Matteo Colaninno	Omniaholding S.p.A.*	Executive Chairman
	Omniainvest S.p.A.*	Executive Chairman
	IMMSI S.p.A.*	Executive Chairman
	Immobiliare Rippa S.r.l.	Sole Director
Michele Colaninno	Omniaholding S.p.A.*	Deputy Chairman and Chief Executive Officer
	Omniainvest 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)	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	Abilio S.p.A.	Statutory Auditor
	Air One S.p.A.	Statutory Auditor
	Centomilacandele Scpa in liquidation	Statutory Auditor
	Compagnia Aerea Italiana S.p.A.	Statutory Auditor
	Eurostazioni S.p.A.	Statutory Auditor
	H - Farm S.p.A.	Statutory Auditor
	Opera Holding S.r.l.	Statutory Auditor
	PLC S.p.A.	Director
	Mundys S.p.A.	Statutory Auditor
	Quimmo Prestige Agency S.r.l.	Statutory Auditor
	Sator S.r.l.	Statutory Auditor
	Texa S.r.l.	Statutory Auditor
	Whirpool Italia S.r.l.	Sole statutory auditor
Rita Ciccone	Farmacie Italiane S.r.l.	Chairman
	F2i Porti S.r.l.	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
	Gesac S.p.A.	Director
	ReLife S.p.A.	Director
	F2i Medtech	Director
	Persidera S.p.A.	Director
	F2i Life S.p.A.	Director
	Hisi S.r.l.	Director
Genesi Uno S.p.A.	Director	
Genesi Due S.p.A.	Director	

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
	Fineco Bank S.p.A.	Independent Director
	Edison S.p.A.	Alternate auditor
	Milanosesto S.p.A.	Statutory auditor
Micaela Vescia	Metro 5 S.p.A.	Board Director
	Poliambulatorio Fondazione ATM s.r.l.	Vice Chairman
Andrea Formica	Italtergi s.r.l.	Director
	E22 Mobility S.r.l.	Chairman
Federica Savasi	Is Molas S.p.A.*	Director
Carlo Zanetti	Banca Galileo S.p.A.	Chairman of the Board
	Zanetti S.p.A.	Director
	Gruppo Finanziario Z	Director
	Omniainvest S.p.A.	Director
	Zunitas S.r.l.	Board Director and Sole Director
	Cleca S.p.A.	Chief Executive Officer
	Zacufin S.r.l.	Chairman

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 also ensured, through the organisation of dedicated meetings between the Company's top management and Directors, that the latter were given in-depth information and explanations on the activities and projects of the group of the Issuer, as well as on the legal and governance framework.

In particular, on 18 January 2024, members of Piaggio's corporate bodies together with members of the parent company Immsi S.p.A. took part in an induction session specifically dedicated to the issue of sustainability entitled "Sustainability and its reporting" held by Professor Alessandro Lai, Statutory Auditor of Immsi S.p.A..

During the year, directors and statutory auditors were also able to improve their knowledge of (i) the automotive sector by taking part in board meetings that discussed topics related to company dynamics and their evolution, like those approving investments; (ii) the relevant legal, regulatory and governance framework. In particular, directors and auditors received insights in relation to the GRI 3 international standard in force from 2022, to be used in the process of identifying material topics relevant to the reporting of the so-called '2023 Materiality Record' for the purposes of the Non-Financial Statement; they also received adequate disclosure on the Company's obligation to name the beneficial owner in the relevant Register of Beneficial Owners held with the Register of Companies pursuant to Decree no. 55 of 11 March 2022 of the Ministry of Economy and Finance, as well as on the related disclosure obligations.

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

In the meeting of 4 March 2024, the recommendations for 2024 formulated by the Chairman of the Corporate Governance Committee, Massimo Tononi, in connection with the findings of the 2023 Annual Report on the application of the CG Code, were also submitted to the Board of Directors for review.

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

4.4 FUNCTIONING OF THE BOARD OF DIRECTORS (pursuant to article 123-bis, paragraph 2, letter d), of the 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 Board of Directors' Rules of Service, 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 Board of Directors' Rules of Service, 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.

Meetings are chaired by the Chairman or, if absent or unable, by the deputy chairman where appointed, 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 Board of Directors' Rules of Service, 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 Board of Directors' Rules of Service, 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 the Board of Directors' Rules of Service, Board resolutions must be reported in minutes transcribed in the specific book, signed by the meeting Chairperson and by its Secretary.

The Board of Directors' Rules of Service also regulates the procedures for appointing the Secretary of the Board of Directors, defining their professional requirements and powers in compliance with Recommendation 18 of the Corporate Governance Code (for more information, see section 4.5).

The Board of Directors' Regulation also governs the management of briefing prior to the meeting: 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 shall always be provided in such a way as to enable the Board members to express an informed opinion on the matters

submitted to them for examination, providing them with the drafts of the documents to be approved well in advance, with the sole exception of cases of particular and proven 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 deadline is considered reasonable by all the Directors.

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 Attachment 1 to the Report.

11 Board meetings were held during the financial year. Specifically, the Board of Directors met on the following dates: 26 January 2023, 24 February 2023, 2 March 2023, 18 April 2023, 5 May 2023, 27 July 2023, 1 September 2023, 25 September 2023, 27 September 2023, 30 October 2023 and 15 December 2023.

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 26 January 2024 (approval of the budget), 23 February 2024, (impairment test) and 4 March 2024 (approval of the financial statements for the year and the consolidated financial statements as at 31 December 2023), at least another three meetings are indicated in the Calendar of the main corporate events for the 2024 financial year (already notified to the market and Borsa Italiana S.p.A. as prescribed in regulations on 30 January 2024) available, in Italian and English, on the Issuer's institutional website www.piaggiogroup.com, in the Section "Investors - Financial Events Calendar", and in the authorised storage mechanism called "eMarket Storage", available at www.emarketstorage.it.

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 www.emarketstorage.it.

4.5 ROLE OF THE 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.

On 28 October 2022, the Board of Directors also assigned Mr. Matteo Colaninno powers in the area of institutional relations at national and international level, as Executive Deputy Chairman, as detailed below .

Following the death on 18 August 2023 of the Chairman and Chief Executive Officer Roberto Colaninno, on 1 September 2023 the Board of Directors appointed Matteo Colaninno (former Deputy Chairman) as the Company's new Executive Chairman, in office until the expiry of the Board of Directors.

Pursuant to the Board of Directors' Rules of Service, Board meetings are chaired by the Chairman or, if absent or unable, by the sole Deputy Chairman or, where present, if 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.

In compliance with the Board of Directors' Rules of Service 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 Board of Directors' Rules of Service, 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 Board of Directors' Rules of Service, 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, tax, legal and corporate manager of the Issuer, as Board secretary until the term of office of the board of directors expires.

In virtue of what is set forth in the Board of Directors' Rules of Service, 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 financial year, acting as Secretary of the Board, Mr. Fabio Grimaldi supported the activities of the Chairman of the Board and provided impartial assistance and advice to the Board on every aspect relevant to the proper functioning of the corporate governance system, as well as in the performance of the tasks attributed to the same and defined above.

4.6 EXECUTIVE DIRECTORS

As anticipated, following the death on 18 August 2023 of Mr. Roberto Colaninno, Chairman and Chief Executive Officer of Piaggio, the Board of Directors met on 1 September 2023 to appoint the new Chairman of the Board of Directors and the new Chief Executive Officer and to grant the powers necessary for the Company's operations.

The following are therefore the positions and management powers of the executive directors during the financial year and until 1 September 2023.

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.

For more information on the powers attributed by the Board to the Deputy Chairman Matteo Colaninno, please refer to the following section "Deputy Chairman".

Deputy Chairman

To the Deputy Chairman, Matteo Colaninno, the Board of Directors, which met on 15 April 2021, assigned the powers pursuant to applicable provisions of law and the Articles of Association.

Subsequently, on 28 October 2022, the Board of Directors - without prejudice to the role of Deputy Chairman given to Matteo Colaninno at the above-mentioned Board of Directors' meeting in accordance with the powers set forth in Articles 9.1, 14.1 and 14.7 of the Articles of Association - granted him, as Executive Deputy Chairman, the following powers and authorities:

- a. in coordination with the Chairman, manage and represent the Company in business and institutional relations with Government, Diplomatic or other Authorities, Supranational Bodies and Public Law Bodies (including Public Administrations at all levels, Diplomatic and Consular Authorities, European Union Institutions and Bodies, Security Agencies, Independent Authorities and other authorities with regulatory or supervisory functions);
- b. manage the establishment of and participation in, as well as represent the Company in relations with associations, foundations and other entities or bodies - including non-profit organisations - operating in the field of human rights and the environment, or with other purposes that are deemed consistent with the Company's interest;
- c. manage and represent the Company in relations with associations, foundations, communities and other entities (such as, for example, environmental or consumer associations, local communities, etc.);
- d. represent the Company in relations with institutions, research centres, institutes and universities, both national and international, concerning environmental sustainability and energy transition policies, in coordination with the Chairman and Chief Executive Officer Roberto Colaninno and the Managing Director Michele Colaninno;
- e. liaise with the competent corporate structures and functions with reference to delegated matters, carrying out and defining practices and activities, signing deeds, documents and correspondence in the name of the Company, with reference to the powers conferred.

Below are the offices and management powers of the executive directors at the Date of the Report.

Chief Executive Officer

The Board of Directors' meeting held on 1 September 2023, following the death of Roberto Colaninno on 18 August 2023, appointed Michele Colaninno as Chief Executive Officer.

The 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.

The Board of Directors' Meeting held on 1 September 2023 granted the Chief Executive Officer all powers of ordinary and extraordinary administration, with the exclusion of the powers reserved by law or by provision of the Articles of Association, as well as by virtue of the Board's resolution, to the entire 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.

The Board of Directors' meeting of 1 September 2023 also (i) confirmed powers regarding product and marketing strategies previously granted to Michele Colaninno on 15 April 2021 and reported above, and (ii) established that the Chief Executive Officer, in agreement with the Chairman of the Board of Directors, is responsible for proposing the strategic plan and/or amendments or additions to the same to the Board of Directors.

Executive Chairman

The Board of Directors' meeting held on 1 September 2023 appointed Matteo Colaninno as Chairman of the Board of Directors, who is vested with the relevant powers by virtue of such role, pursuant to the applicable provisions of law, the Articles of Association and the Board of Directors' Rules of Service. The Board of Directors' meeting of 1 September 2023 also confirmed the powers already granted to Matteo Colaninno by the Board of Directors on 28 October 2022, as integrated and/or amended below:

- a. manage and represent the Company in business and institutional relations with Government, Parliament, political, diplomatic or other Italian and foreign authorities, Supranational Bodies and Public Law Bodies (including Public Administrations at all levels, Diplomatic and Consular Authorities, European Union Institutions and Bodies, Security Agencies, Independent Authorities and other authorities with regulatory or supervisory functions);
- b. manage the establishment of and participation in, as well as represent the Company in relations with associations, foundations and other entities or bodies - including non-profit organisations - operating in the field of human rights and the environment, or with other purposes that are deemed consistent with the Company's interest;
- c. manage and represent the Company in relations with associations, foundations, communities and other entities (such as, for example, environmental or consumer associations, local communities, etc.);
- d. represent the Company in relations with institutions, research centres, institutes and universities, both national and international, concerning environmental sustainability and energy transition policies, in coordination with the Chief Executive Officer;
- e. represent the Company in relations with Confindustria and business organisations; represent the Company with the Trade Unions, in coordination with the Chief Executive Officer;

- f. in agreement with the Chief Executive Officer propose the strategic plan and/or amendments or additions to it to the Board of Directors;
- g. liaise with the competent corporate structures and functions with reference to delegated matters.

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 Roberto Colaninno (for his entire term in office) and, subsequently, the Chief Executive Officer Michele Colaninno reported suitably and in a timely manner, at least on a quarterly basis, to the Board on the activities carried out to exercise the powers delegated to them, and in a way that enabled the Directors to express themselves knowledgeably on the matters submitted for their examination from time to time. The Executive Chairman (formerly the Executive Deputy Chairman), given delegated powers in the area of institutional relations at national and international level as of 28 October 2022, also reported on his work during the Financial Year

Other executive directors

No other executive directors besides Roberto Colaninno (in office as Chairman and Chief Executive Officer until his death on 18 August 2023), Michele Colaninno (current Chief Executive Officer) and Matteo Colaninno (current Executive Chairman) were present in the Financial Year.



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) the Issuer's Board currently in office includes 2 (two) non-executive Directors, Federica Savasi and Carlo Zanetti, 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, Recommendation 7 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 (controls notified to the market on the same date) and, recently, in the Board meeting of 4 March 2024, based on the independence declarations made in February 2024 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 required 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.

The Board of Directors and the Board of Statutory Auditors have examined the advisability of adopting qualitative and quantitative criteria to assess the significance of the circumstances relevant to the independence of the members of the Board of Directors and the Board of Statutory Auditors, considering, however, not to adopt fixed and predetermined ex ante criteria at the moment, in order to allow for assessments that can value the prevalence of substance over form and be able to assess each situation individually, guaranteeing greater flexibility in the assessments regarding independence, taking into account the relevant circumstances in the case in question.

During the Financial Year, the Board of Statutory Auditors verified the correct application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members. Furthermore, in its report to the shareholders' meeting of 14 April 2021, the Board of Statutory Auditors stated immediately after the appointment of the body, 'that it had verified the independence requirements of its members, as well as the correct application of the assessment criteria and procedures adopted by the Board to assess the independence of the Directors'.

During the Financial Year, the Independent Directors in office met, in the absence of the other directors, on 14 September 2023 to discuss, within the scope of their assigned competences and prerogatives, considering, inter alia, the strategic importance of the transaction, the matter related to the proposed debt transaction consisting in the issue of a new bond loan (the so-called Bond), subsequently issued by the Company with Board resolutions of 25 and 27 September 2023.

The meeting was 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 the Board of Directors' Rules of Service 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 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 also holds the office of Chairman of the Appointment Proposal Committee, the Related Party Transactions Committee and the Risk Control and Sustainability Committee (see Sections 7.2, 10 and 9.2).



5. MANAGEMENT OF CORPORATE INFORMATION

During 2016, in order to comply with the EU provisions on market abuse (Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014, the so-called Market Abuse Regulation (“**MAR**”) and relative European Commission implementing standards), and in order to monitor access to and circulation of inside information before it is disseminated to the public, to ensure compliance with the confidentiality requirements provided by the laws and regulations in force, and to govern the internal management and external disclosure of this information, the company adopted the “Procedure for the Disclosure of Inside Information”, the “Procedure for Management of the Insiders List” (both last updated on 26 February 2018) and the “Procedure for Meeting Insider Trading Obligations”, with effect from 3 July 2016.

It should be noted that on 25 June 2021, the Board, at the proposal of the Chairman, updated the ‘Procedure for Meeting Insider Trading 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 for the issuer 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 to the public in a specific press release jointly prepared by the Legal & Corporate Affairs function, the External & Media Relations function and the Investor Relations function; 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 INSIDERS LIST

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 INSIDER TRADING OBLIGATIONS

The procedure for the fulfilment of insider trading obligations governs disclosure obligations concerning transactions in financial instruments carried out by relevant persons, as identified by the procedure itself, in order to ensure greater transparency towards 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. INTERNAL BOARD COMMITTEES (PURSUANT TO ARTICLE 123-BIS, SUBSECTION 2(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.

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.

Considering the proposal to adopt the one-tier governance system pursuant to Article 2409-sexiesdecies of the Italian Civil Code that will be submitted to the Issuer’s next Extraordinary Shareholders’ Meeting (see section 1 ‘Issuer Profile’), and for the renewal of the Board of Directors, the Company will evaluate whether to adopt internal regulations governing the functioning of the individual committees during 2024.

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 SUCCESSION OF DIRECTORS - APPOINTMENT PROPOSAL COMMITTEE

7.1 SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS

In accordance with the Board of Directors' Rules of Service, 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.

More specifically - although the CG Code expressly recommends only Large Companies other than those with concentrated ownership conduct their self-assessment on an annual basis (see Recommendation 22) - the Board of Directors continued, in line with internal and best practices in general, to conduct its own assessment annually. 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 Board of Directors' Rules of Service, carried out its annual evaluation on the basis of a special questionnaire divided into several areas (i.e. on the size, composition and functioning of the Board of Directors; on the size, composition and functioning of the internal Board committees; on communication between the Board of Directors and senior management - induction programme; on corporate governance and risk governance and independent directors), and with an opportunity to make comments and proposals. This questionnaire, as most recently updated, was forwarded to and completed by all Directors, as well as reviewed first by the Appointment Proposal Committee at its meeting on 1 March 2024 and then by the Board at its meeting on 4 March 2024.

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, out of a total of 9 (nine) directors, of 7 (seven) non-executive directors, of whom 5 (five) independent non-executive directors and 4 (four) female non-executive directors, who 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.

With regard to the areas for improvement noted, in the context of a high level of appreciation for the work of the Board of Directors as well as for the individual elements characterising its functioning, it was recommended that (i) individual Board members participate more in discussion; (ii) more meetings be held with the Independent Directors; (iii) the timing of advance documentation in support of Board meetings be continually improved, without prejudice to the adequate and exhaustive information provided during the meetings, and (iv) the number of periodic induction sessions aimed at examining strategy issues as well as the company's activities and organisation be increased, with the possible involvement of top management and other business leaders.

The Board shall ensure, for areas under its responsibility, that the process of appointing directors is transparent and functional to achieving an optimal board composition, providing guidance, in view of each renewal, on the quantitative and qualitative composition deemed optimal, also taking into account the results of the self-assessment.

In this regard, it should be noted that the outgoing Board of Directors, in the illustrative report prepared pursuant to Article 125-ter of the Consolidated Law on Finance, concerning the election of the new Board of Directors by the Shareholders' Meeting convened to approve the financial statements at 31 December 2023, provided guidance on the quantitative and qualitative composition deemed optimal, and some indications for shareholders on the diversity policy for the Board's composition (see Section 4.3).

Furthermore, the Board has not adopted a plan for the succession of executive directors, taking into account the Issuer's current shareholding and organisational structure, and the fact that the Company pursuant to the CG Code is not required to adopt this plan.

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, appointed by resolution of the Board on 15 April 2021 and in office at the end of the Financial Year and at the Date of the Report, is composed exclusively of the independent non-executive Directors 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.

During the Year, the Committee met 2 (two) times, on 28 February 2023, in order to share the results of the self-assessment process carried out by the Directors on the size, composition and operation of the Board and its Committees for the 2022 financial year and on 30 August 2023, in order to formulate the proposal for the assignment of offices pursuant to Article 13 and Article 17.4 of the Articles of Association to the new Executive Chairman and the new Chief Executive Officer, following the death of Roberto Colaninno (who held both these positions), and the co-option proposal pursuant to Article 2386 of the Italian Civil Code and Article 12.5 of the Article of Association in light of this event. At the Date of the Report, the Committee meeting had already been held to share the results of the same recurring assessment for the financial year 2023, and to draft guidance on the qualitative and quantitative composition of the Board of Directors and diversity criteria for the composition of the board and the supervisory board, in view of their upcoming renewal. The meetings were co-ordinated by the Chairman and minutes were regularly taken; 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 less than one hour on average. Table 3 in Attachment 1 of the Report shows the attendance of each member at the Committee meeting.

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 Board of Directors' Rules of Service 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, as reported above, the Committee meetings during the Year were concerned with examining the results of the Board's self-assessment as resulting from the questionnaires.

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 Committee, appointed by resolution of the Board of 15 April 2021 and in office at the end of the Reporting Period and at the date of the Report is composed of the independent non-executive directors, Rita Ciccone (Chairperson), 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.

Meetings of the remuneration committee lasted approximately 1 hour on average. Table 3 in Attachment 1 of the Report shows the attendance of each member at the Committee meeting.

In addition, 2 meetings are planned for the current year, of which one had 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 Committee meetings held during the Year were concerned with:

- the review of the Remuneration Report and remuneration paid in 2022 and the formulation of the proposal, to be submitted to the Board of Directors, regarding the amendment to the Remuneration Policy (illustrated in Section I of the Remuneration Report);
- the variable remuneration proposal for the Chairman and Chief Executive Officer, as well as for the Managing Director Michele Colaninno for the year 2022;
- the review of the proposal to pay the variable annual remuneration component already envisaged in the current Remuneration Policy for executive directors, to the Executive Deputy Chairman Matteo Colaninno, based on the powers delegated to him in the area of institutional relations at national and international level;
- the remuneration proposal for the Chairman and the Chief Executive Officer pursuant to Article 2389, third paragraph, of the Italian Civil Code and Article 18.2 of the Articles of Association, in anticipation of the assignment of the new positions to Matteo Colaninno (already Executive Deputy Chairman) and Michele Colaninno (already Director with delegated powers), following the death of Roberto Colaninno.

The meetings of the Committee held in the 2024 financial year and up to the Date of the Report were concerned with:

- the proposal of variable remuneration allocated pro rata temporis for the year 2023 to the Executive Chairman and Chief Executive Officer, as well as to the late former Chairman and Chief Executive Officer Roberto Colaninno;
- the review of the Remuneration Report and remuneration paid in 2023 and the formulation of the proposal, to be submitted to the Board of Directors, regarding the amendment to 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; the Internal Control, Risk Management and Sustainability Committee; the head of the internal audit function; the other corporate functions involved in controls (such as the risk management function) and the Board of Statutory Auditors.

At its meeting of 4 March 2024, 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 assigned the position of Chief Executive Officer to Chief Executive Officer Roberto Colaninno. Following the death of Roberto Colaninno, the Board of Directors' meeting held on 1 September 2023 appointed Michele Colaninno as the new Chief Executive Officer and Managing Director to replace Roberto Colaninno. The Chief Executive Officer is responsible for establishing and maintaining the internal control and risk management system.

The Chief Executive Officer (Roberto Colaninno and, thereafter from 1 September 2023, Michele Colaninno), 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;

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 Committee, appointed by resolution of the Board on 15 April 2021 and in office at the end of the Financial Year and at the Date of the Report, is composed of the independent non-executive Directors Graziano Gianmichele Visentin (Chairman), Rita Ciccone and Micaela Vescia. At the time of its appointment, the Board of Directors assessed and considered the entire Committee to be composed of individuals with appropriate experience in accounting and finance and risk management.

There were no changes in the composition of the Committee at the end of the reporting period.

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.

On average, the meetings of the Risk Control and Sustainability Committee lasted about 2 hours.

Table 3 in Attachment 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 had already taken place at the Date of the Report.

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

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 proposing and advisory functions vis-à-vis the Board of Directors on sustainability matters - and, therefore, to name it the "Control Risk and Sustainability Committee" - assigning it the following tasks: (i) examine and evaluate sustainability issues related to the operation of the business and the dynamics of interaction with stakeholders; (ii) examine and evaluate the data collection and consolidation system for the "Consolidated non-financial statement" referred to in Legislative Decree 254/2016; (iii) examine in advance the "Consolidated Non-Financial Statement" referred to in 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.

During the financial year, the Risk Control and Sustainability Committee carried out constant monitoring activities with regard to the internal control and risk management system and sustainability. In particular, the Committee's activities focused on:

- (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 2023 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) examining, with the Financial Reporting Officer and CFO, having consulted the Statutory Auditor and the Board of Statutory Auditors, the financial reporting process, the accounting principles adopted in the preparation of periodic reports, the annual financial statements and the consistency of these principles for the purposes of 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) the verification of occupational health and safety procedures; (vii) the prior examination of the proposed issue of the new Bond issued by the Company on 27 September 2023 for a total principal amount of Euro 250,000,000 (two hundred and fifty million) and maturing on 30 April 2025.

On the issue of sustainability, during the year, the Internal Control, Risk Management and Sustainability Committee examined, in particular, the Piaggio Group's proposed decarbonisation plan, expressing its favourable opinion on the sustainability targets and objectives contained therein, prior to the adoption of the Plan by the Board of Directors on 15 December 2023.

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.

The Board meeting held on 15 April 2021, 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 with the Board of Statutory Auditors, renewed the appointment of the Chief Executive Officer of Immsi Audit S.c.a.r.l., Maurizio Strozzi, as Head of Internal Audit 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 Auditing 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 manner in which risk management is conducted, as well as on compliance with the action plans defined to contain risk, and an assessment of the suitability of the internal control and risk management system, as well as compliance with the action plans defined to contain risk, 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 entities;
- prepared reports on particularly significant events in a timely manner, 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 these reports specifically concerned the activities of these persons;
- prepared the audit plan for the 2023 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 24 February 2023. 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 Manager then presented the audit reports to the Chairman of the Board of Directors and the Chief Executive Officer, as well as to the Chairman of the Internal Control, Risk Management and Sustainability Committee and the Chairman of the Board of Statutory Auditors, as well as to the Supervisory Board and the Financial Reporting Officer and Risk Manager as regards areas in their responsibility. 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 2023 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 most recently updated in 2023, with the introduction of articles dedicated to the following issues: antitrust and competition; protection of personal data; ESG; whistleblowing. 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.

Pursuing its ongoing commitment to improving corporate governance, the Issuer has also modernised and strengthened its internal reporting channel, which can be reached online at: <https://www.piaggiogroup.com/it/governance/codice-etico> ("**Channel**"). The Channel was created to allow those in good faith to safely share any information concerning serious offences related to violations of the law and/or the internal control system (e.g. Code of Ethics, Model, internal policies and procedures), which have occurred or are very likely to occur in the organisation. The Company has also issued the 'Piaggio Group Whistleblowing Policy' which, inspired by the principles outlined in the Code of Ethics, establishes the general and fundamental principles for promoting responsible and safe whistleblowing practices.

Due to the specific nature and relevance of India, the Code of Business Conduct & Ethics and the 'Policy on Prevention of Sexual Harassment of women at the workplace' have been in force for the Indian subsidiary since December 2023 to prevent incidents of

sexual harassment within the plant.

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 most recently in the course of the year, namely, on 30 October 2023, in order to expand the catalogue of predicate offences to include the cases recently introduced by the legislator) goes hand in hand with the updating of corporate procedures, the correct application of which, on the indication and coordination of the Supervisory Board, is constantly monitored through 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 Supervisory Board currently in office was appointed by the Board of Directors on 15 April 2021 for the financial years 2021-2022-2023 and, therefore, until the approval of the financial statements as at 31 December 2023. The Supervisory Board is composed of (i) Giovanni Barbara, Standing Auditor of the Issuer; (ii) Fabio Grimaldi, the 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 Financial Year, the Supervisory Board i) monitored the actual application of the Model on the basis of the specific plan for verifying the reports of the company contact persons, through the examination of the results of the audits carried out for internal control purposes relevant to Legislative Decree no. 231/2001, as well as through meetings and hearings with Company; 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 19 February 2024, the Supervisory Board also approved the activity plan for 2024; at least five meetings of the Supervisory Board are scheduled to take place regularly during the financial year 2024.

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 14 April 2021 and ends on approval of the Financial Statements as of 31 December 2028.

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 Financial Reporting Officer prepares the Non-Financial Statement, presents it to the Internal Control, Risk Management and Sustainability Committee and, subsequently, submits it 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 (Alessandra Simonotto) and the Compliance Officer (Fabio Grimaldi) work autonomously and independently, reporting periodically 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 4 March 2024, 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 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 insider trading;
- 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 Whistleblowing Procedure.

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

- The Accounting and Administrative Control Model - a document made available to all employees directly involved in the process of forming and/or controlling accounting information and aimed at defining how the Accounting Control 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;
- the Manual for the Preparation of the Non-Financial Statement (accompanied by the relevant operational procedure currently being adopted);
- 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.

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.

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 prepared, after being shared with the Chief Executive Officer, is notified 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 addition, in accordance with applicable regulations and the Articles of Association, the Board may examine and approve in advance transactions of the Issuer and its subsidiaries in which one or more Directors have an interest on their own behalf or on behalf of third parties.

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**') that regulates, among other things, 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 came 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 Related Parties Procedure, as last amended and updated on 25 June 2021, is available on the Issuer's institutional website www.piaggiogroup.com in 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, is composed of 3 (three) independent directors, who, in accordance with regulatory provisions, must also be unrelated directors with respect to each transaction.

The Committee appointed by the Board on 15 April 2021 and in office at the end of the Financial Year and at the Date of the Report comprised the non-executive independent directors 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.

During the Year, 3 (three) meetings of the Related Party Transactions Committee were held. 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 Attachment 1 of the Report shows the attendance of each member at the Committee meeting.

The Board, as reflected in the Related Parties Procedure, provided that directors who have an interest in the transaction must promptly and fully inform the Board of Directors of the existence of the interest and its relevant 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

As indicated in the section 'Issuer Profile', during the course of the financial year, the Issuer was organised according to the traditional administration and control model pursuant to Articles 2380-bis and following of the Italian Civil Code, with the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors.

In this regard, it should be noted that the Shareholders' Meeting called to approve the financial statements for the financial year and to renew the corporate bodies will also be convened in an extraordinary session to approve the adoption of the one-tier administration and control system pursuant to Article 2409-sexiesdecies of the Italian Civil Code and the consequent amendments to the Articles of Association. The adoption of the one-tier system of governance, if approved by the Shareholders' Meeting, will be implemented with the renewal of the corporate bodies by the same Shareholders' Meeting, and the Company will therefore operate through a Board of Directors, some members of which will also be members of the Control Management Committee.

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 section therefore describes the mechanism for appointing the members of the Board of Statutory Auditors as envisaged in the provisions of the Articles of Association in effect at the date of the Report; please refer to section 1 "Issuer Profile" in relation to the proposal to adopt the one-tier governance system pursuant to Article 2409-sexiesdecies of the Italian Civil Code that will be submitted to the Issuer's next Extraordinary Shareholders' Meeting.

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. By executive resolution of the Head of Corporate Governance no. 76 of 30 January 2023, Consob set the relative share capital threshold required to nominate candidates on lists for election to the Supervisory Body of Issuers at 2.5% (two point five per cent).

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.1, 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".

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;
- 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.it.

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 Shareholders' Meeting appointed the Statutory Auditors for the three-year period 2021-2023 on the basis of the lists submitted by the shareholders in office at the end of the Financial Year 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; Silvia Rodi as standing statutory auditor and Gianmarco Losi and Elena Fornara 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: Franco Piero Pozzi as standing statutory auditor Piera Tula 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 end of the Financial Year 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 as at 31 December 2023, is therefore 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 Attachment 1 to the Report.

Please note that at the end of the Financial Year and until the Date of the Report there had been no changes in the composition of the Board of Statutory Auditors. .

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.

Ten meetings of the Board of Statutory Auditors were held during the year. More specifically, the Issuer's Board met on the following dates: 20 February 2023, 23 March 2023, 18 April 2023, 21 April 2023, 19 June 2023, 25 July 2023, 1 September 2023, 8 September 2023, 10 October 2023 and 6 December 2023.

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

During the current financial year, two (2) meetings have already been held - on 24 January 2024 and 21 February 2024.

For information on the participation of each Statutory Auditor in the meetings held during the Year, please refer to Table 4 in Attachment 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 information on the number of directorships or auditing positions held by each auditor, please refer to Table 4 in Appendix 1 of the Report.

Diversity criteria and policies

The composition of the current Board of Statutory Auditors appointed by the Ordinary Shareholders' Meeting of 14 April 2021 and in office until the Shareholders' Meeting called to approve the financial statements for the year takes into account the indications received by the Board of Directors in the illustrative 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 aforesaid Shareholders' Meeting. The indications addressed to shareholders concerned the policy of diversity in the composition of the supervisory board (also pursuant to Recommendation 8 of the Corporate Governance Code) and were accompanied by an invitation to shareholders to propose candidates that would take into adequate account the need for diversity in the composition of the board in terms of age and educational and professional background, in order to ensure that the appropriate skills to ensure the proper performance of the functions assigned to it were 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.

As indicated in section 4.7 above of this Report, the Board of Directors and the Board of Statutory Auditors decided not to adopt qualitative and quantitative criteria to assess the significance of circumstances relevant to independence.

The Board of Statutory Auditors, most recently in its meeting of 21 February 2024, 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 21 February 2024.

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.

For the dissemination of regulated information to the public, the Issuer uses the “eMarket SDIR” circuit and for the storage of regulated information the centralised storage mechanism called “eMarket STORAGE”, accessible at www.emarketstorage.it, both managed by Teleborsa S.r.l. - with registered office in Piazza Priscilla, 4 Rome - following the authorisation and Consob Resolutions nos. 22517 and 22518 of 23 November 2022. Disclosure in investor relations is also ensured by making the most relevant corporate documentation available, in a timely and continuous manner, on the Company’s website in the Investor section. 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, in accordance with the procedures set out in Article 106 of Legislative Decree 18/2020, converted into Law 27/2020, on "Measures to strengthen the health service and provide economic support for families, workers and businesses related to the COVID-19 emergency", as subsequently extended - only one Shareholders' Meeting was held, which took place on 18 April 2023 and was attended by all directors (also via telephone connection), with the exception of Andrea Formica who was absent excused. During the meeting, the Board reported on activities performed and planned, and endeavoured to provide shareholders with 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 shareholders' meeting on 18 January 2023, is published on the Company's website at <https://www.piaggiogroup.com/it/governance/documenti-e-procedure>.

As mentioned in section 1 "Issuer Profile", to which we refer, the Board proposed to the Shareholders' Meeting the adoption of the one-tier system of governance, with consequent amendments to the Articles of Association.

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

Since the end of the Financial Year and up to the Date of the Report, there have been no changes in the corporate governance structure other than those reported in the specific sections.

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

The letter of 14 December 2023 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 4 March 2024.

The Board took note of the analyses and recommendations contained in the letter and found the Company to be adequate overall in relation to the requests made in the letter.

It should be noted, on a preliminary basis that, in continuity with the 2022 financial year, in order to implement the Corporate Governance Committee's Recommendations for 2023, the Issuer has highlighted in summary form the essential information regarding adherence to the specific recommendations of the Corporate Governance Code, including in Appendix 2 to the Report a table indicating, for each provision of the Corporate Governance Code, the application, disapplication or non-applicability.

With specific reference to the recommendations for 2024, as far as they apply to Piaggio, the following should be noted:

- in relation to the approval of the business plan, it is noted that the Company's Board of Directors examines and shares the strategic guidelines of the Company and the Group annually and during impairment testing, and is regularly involved in the analysis of issues relevant to the generation of long-term value;
- with regard to the recommendation on briefing prior to board meetings, it should be noted that the Board of Directors' Rules of Service govern the management of information flows to the Board of Directors. In compliance with this provision, information was provided in such a way as to enable the Board members to express an informed opinion on the matters submitted to them for examination, providing them with the drafts of the documents to be approved (usually at least 48 hours in advance, with the sole exception of cases of particular and proven urgency. In addition, if documentation was provided directly at the meeting (by giving prior notice to the Directors within the aforementioned deadline) as deemed appropriate by the Chairman in relation to the content of the topic and the resolution, appropriate and timely in-depth examination took place during the Board meeting;

- with specific reference to the guidelines on the optimal composition of the Board of Directors, it should be noted that the outgoing Board of Directors decided to include, 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 as of 31 December 2023, the guidelines formulated by the Board of Directors at the time of its own renewal, scheduled on the occasion of the aforesaid Shareholders' Meeting. In fact, since Recommendation 23 of the Corporate Governance Code, which requires companies other than those with "concentrated ownership" to publish the aforesaid guidance well in advance of the notice convening the shareholders' meeting, does not apply to Piaggio, the Company deemed the deadline for publication of the same 40 days before the date of the Shareholders' Meeting to be appropriate, as it allows shareholders presenting lists of candidates to examine it adequately.





ATTACHMENT 1

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

BOARD OF DIRECTORS													
POSITION	COMPONENTS	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT (*)	IN OFFICE SINCE	IN OFFICE UP TO	SLATE (PRESENTERS) (**)	SLATE (M/M) (***)	EXEC.	NON-EXEC.	INDEP. CODE	INDEP. CONSOLIDATED LAW ON FINANCE	NO. OF OTHER POSITIONS (****)	SHAREHOLDING (*****)
Executive Chairman	Colaninno Matteo	1970	23/10/2003	14/04/2021	Approval of 31.12.2023 Financial Statements	Shareholders	M	X				4	10/11
Chief Executive Officer	Colaninno Michele	1976	28/08/2006	14/04/2021	Approval of 31.12.2023 Financial Statements	Shareholders	M	X				10	11/11
Director	Albano Patrizia	1953	16/04/2018	14/04/2021	Approval of 31.12.2023 Financial Statements	Shareholders	M		X	X	X	5	10/11
Director	Visentin Graziano Gianmichele	1950	13/04/2015	14/04/2021	Approval of 31.12.2023 Financial Statements	Shareholders	M		X	X	X	13	10/11
Director	Ciccione Rita	1960	14/04/2021	14/04/2021	Approval of 31.12.2023 Financial Statements	Shareholders	M		X	X	X	17	9/11
Director	Formica Andrea	1961	13/04/2015	14/04/2021	Approval of 31.12.2023 Financial Statements	Shareholders	m		X	X	X	2	11/11
Director	Savasi Federica	1975	13/04/2015	14/04/2021	Approval of 31.12.2023 Financial Statements	Shareholders	M		X			1	11/11
Director	Vescia Micaela	1973	14/04/2021	14/04/2021	Approval of 31.12.2023 Financial Statements	Shareholders	M		X	X	X	2	11/11
Director	Zanetti Carlo	1961	1/09/2023	1/09/2023	Approval of 31.12.2023 Financial Statements				X			7	4/4
DIRECTORS NO LONGER IN OFFICE IN THE FINANCIAL YEAR													
Chairman and Chief Executive Officer	Colaninno Roberto	1943	23/10/2003	14/04/2021	term of office ended on 18 August 2023	Shareholders	M	X					6/6

Indicate the number of meetings held during the Financial Year: 11

Indicate the quorum required by minorities to submit slates for the election of one or more members (pursuant to Article 147-ter TUF): 2.5%

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.

(**) 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 was taken 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 3: COMPOSITION OF BOARD COMMITTEES AT THE FINANCIAL YEAR CLOSURE DATE

BOARD OF DIRECTORS		EXECUTIVE COMMITTEE		RPT COMMITTEE		INTERNAL CONTROL AND RISK MANAGEMENT COMMITTEE		REMUNERATIONS COMMITTEE		NOMINATIONS COMMITTEE		OTHER COMMITTEE		OTHER COMMITTEE	
POSITION/ QUALIFICA- TION	COMPONENTS	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Director	Visentin Graziano Gianmichele			3/3	C	11/11	C	2/2	M	2/2	C				
Director	Ciccione Rita			3/3	M	8/11	M	2/2	C	2/2	M				
Director	Formica Andrea			3/3	M			2/2	M						
Director	Vescia Micaela					11/11	M			2/2	M				
DIRECTORS NO LONGER IN OFFICE IN THE FINANCIAL YEAR															
Executive/ non-executive Director - independent	Surname Name														
from TUF and/ or from Code/ not independent															
AND MEMBERS WHO ARE NOT DIRECTORS															
Manager of the Issuer/ Other	Surname Name														
No of meetings held in the Financial Year:				3		11		2		2					

NOTES

- (*) This column indicates the participation of 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 END OF THE REPORTING PERIOD

COLLEGIO SINDACALE									
POSITION	COMPONENTS	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT (*)	IN OFFICE SINCE	IN OFFICE UP TO	LIST (M/M) (**)	INDEP. CODE	INVOLVEMENT IN BOARD MEETINGS (***)	NO. OF OTHER POSITIONS (****)
Chairman	Vitali Piera	1949	13/04/2015	14/04/2021	Approval of 31.12.2023 Financial Statements	m	X	10/10	3
Statutory auditor standing	Barbara Giovanni	1960	13/07/2004	14/04/2021	Approval of 31.12.2023 Financial Statements	M	X	9/10	16
Statutory auditor standing	Giaconia Massimo	1959	14/04/2021	14/04/2021	Approval of 31.12.2023 Financial Statements	M	X	10/10	38
Alternate auditor	Bonelli Fabrizio Piercarlo	1960	16/04/2018	14/04/2021	Approval of 31.12.2023 Financial Statements	m	X		
Alternate auditor	Losi Gianmarco	1964	16/04/2018	14/04/2021	Approval of 31.12.2023 Financial Statements	M	X		
AUDITORS NO LONGER IN OFFICE DURING THE FINANCIAL YEAR									
-	-	-	-	-	-	-	-	-	-

Indicate the number of meetings held during the Financial Year: 10

Indicate the quorum required by minorities to submit slates for the election of one or more members (pursuant to Article 148 of the TUF): 2.5%

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.



ATTACHMENT 2

CORPORATE GOVERNANCE CODE 2020	APPLIED	NOT APPLIED	INAPPLICABLE	REFERENCE PARAGRAPH
Article 1 - Role of the board of directors				
Principles				
I. The board of directors guides the Company by pursuing its sustainable success.	X			4.1
II. The board of directors defines the strategies of the Company and Group, consistently with Principle I and monitors their implementation.	X			4.1
III. The board of directors defines the system of corporate governance that best serves the conduct of the company's business and the pursuit of its strategies, taking into account the areas of autonomy envisaged by the legal system. If necessary, it evaluates and promotes appropriate changes, submitting them to the shareholders' meeting when competent.	X			4.1
IV. The board of directors promotes engagement with shareholders and other relevant stakeholders of the Company in the most appropriate forms.	X			4.1
Recommendations				
1. The board of directors:				
a) examines and approves the business plan of the Company and Group, also based on the analysis of issues relevant to the generation of long-term value carried out with the possible support of a committee whose composition and functions are determined by the board of directors;				
b) periodically monitors the implementation of the business plan and assesses the general performance of operations, periodically comparing the results achieved with those planned;				
c) defines the nature and level of risk compatible with the Company's strategic objectives, including in its assessments all elements that may be relevant to the sustainable success of the Company;				
d) defines the corporate governance system of the Company and Group and assesses the adequacy of the organisational, administrative and accounting structure of the Company and its subsidiaries of strategic relevance, with particular reference to the internal control and risk management system;	X			4.1
e) resolves on transactions of the Company and its subsidiaries that have a material strategic, economic, capital or financial significance for the Company; to this end, it establishes general criteria for identifying material transactions;				
f) In order to ensure the proper management of corporate information, it adopts, at the proposal of the chairman in agreement with the chief executive officer, a procedure for the internal management and external communication of documents and information concerning the Company, with particular reference to inside information.				
2. If deemed necessary in order to define a corporate governance system that is more functional to the company's needs, the board of directors shall prepare reasoned proposals to be submitted to the shareholders' meeting on the following topics:				
a) choice and characteristics of the corporate model (traditional, 'one-tier', 'two-tier');				
b) size, composition and appointment of the board of directors and term of office of its members;				
c) the structure of administrative and property rights of shares;				
d) percentages established for the exercise of prerogatives to protect minorities.	X			
In particular, in the event that the board of directors intends to propose to the shareholders' meeting the introduction of majority voting, it shall provide in the explanatory report to the shareholders' meeting adequate justification for the purpose of the choice and indicate the expected effects on the ownership and control structure of the Company and its future strategies, giving an account of the decision-making process followed and any contrary opinions expressed by the Board.				

CORPORATE GOVERNANCE CODE 2020	APPLIED	NOT APPLIED	INAPPLICABLE	REFERENCE PARAGRAPH
3. The board of directors, upon a proposal of the Chairman, made in agreement with the chief executive officer, adopts and describes in the corporate governance report a policy for the management of dialogue with shareholders at large, also taking into account the engagement policies adopted by institutional investors and asset managers. The Chairman shall ensure that the board of directors is in any case informed, by the first useful meeting, of the development and significant contents of the dialogue that has taken place with all shareholders.		X		4.1; 12
Article 2 - Composition of company boards				
Principles				
V. The board of directors is composed of executive and non-executive directors, all of whom have the professionalism and skills appropriate to the tasks entrusted to them.	X			4.3
VI. The number and expertise of the non-executive directors are such as to ensure that they carry significant weight in the adoption of board resolutions and guarantee effective monitoring of management. A significant number of the non-executive directors is independent.		X		4.3
VII. The Company applies diversity criteria, including gender criteria, for the composition of the board of directors, in compliance with the priority objective of ensuring adequate competence and professionalism of its members.		X		4.3
VIII. The supervisory board has an appropriate composition to ensure its independence and professionalism.		X		4.3
Recommendations				
4. The board of directors defines the allocation of management powers and identifies who among the executive directors holds the position of chief executive officer. Where the Chairman is assigned the position of chief executive officer or is granted significant management powers, the board of directors shall explain the reasons for this choice.		X		4.6
5. The number and competences of the independent directors shall be appropriate to the needs of the company and the functioning of the board, as well as the constitution of relevant committees. The board of directors includes at least two independent directors, other than the Chairman. In large companies with a concentrated ownership, independent directors make up at least one third of the board. In other large companies, independent directors make up at least half of the board. In large companies, the independent directors meet, in the absence of the other directors, on a regular basis and in any case at least once a year to assess issues deemed of interest with respect to the functioning of the board and the management of the company.		X		4.7
6. The board of directors assesses the independence of each non-executive director immediately after appointment as well as during the term of office upon the occurrence of circumstances relevant to independence and in any case at least once a year. For this purpose, each non-executive director shall provide all the elements necessary or useful for the assessment of the board of directors, which shall consider, on the basis of all available information, any circumstance that affects or may appear to affect the director's independence.		X		4.7

CORPORATE GOVERNANCE CODE 2020	APPLIED	NOT APPLIED	INAPPLICABLE	REFERENCE PARAGRAPH
<p>7. At least the following circumstances may compromise, or appear to compromise, the independence of a director:</p> <ul style="list-style-type: none"> a) if he is a significant shareholder of the company; b) whether he is, or has been in the previous three financial years, an executive director or an employee: <ul style="list-style-type: none"> - of the company, a strategically important subsidiary of the company or a company under common control; - of a significant shareholder of the company; c) whether, directly or indirectly (e.g. through subsidiaries or companies of which it is an executive director, or as a partner of a professional practice or consulting company), he has, or has had in the previous three financial years, a significant commercial, financial or professional relationship: <ul style="list-style-type: none"> - with the company or its subsidiaries, or with its executive directors or top management; - with a person who, also together with others through a shareholders' agreement, controls the company; or, if the parent company is a company or entity, with its executive directors or top management; d) if he receives, or has received in the previous three financial years, from the company, one of its subsidiaries or the parent company, significant remuneration in addition to the fixed remuneration for the position and to the remuneration provided for participation in committees recommended by the Code or provided for by the regulations in force; e) if he has been a director of the company for more than nine financial years, even if not consecutive, in the last twelve financial years; f) if he holds the position of executive director in another company in which an executive director of the company holds the position of director; g) if he is a partner or director of a company or entity belonging to the network of the company appointed to perform the statutory auditing of the company; h) if he is a close relative of a person in one of the situations referred to in the preceding points. <p>The board of directors shall, at least at the beginning of its term of office, predefine the quantitative and qualitative criteria for assessing the significance referred to in (c) and (d) above. In the case of a director who is also a partner in a professional practice or consulting company, the board of directors assesses the significance of professional relationships that may have an effect on his position and role within the practice or consulting company or that otherwise relate to important transactions of the company and its group, even irrespective of the quantitative parameters.</p> <p>The chairman of the board of directors, who has been nominated as a candidate for this role in accordance with Recommendation 23, may be assessed as independent if none of the above circumstances apply. If the chairman assessed as independent participates in the committees recommended by the Code, the majority of the committee members shall be other independent directors. The chairman assessed as independent does not chair the remuneration committee and the control and risk committee.</p>		X		4.7; 16
<p>8. The company defines the diversity criteria for the composition of the management and control bodies and identifies, also taking into account its ownership structure, the most appropriate instrument for their implementation.</p> <p>At least one third of the board of directors and the supervisory board, where autonomous, consists of members of the less represented gender.</p> <p>Companies take measures to promote equal treatment and equal opportunities between genders within the entire company organisation and monitor their concrete implementation.</p>		X		4.3; 11.2

CORPORATE GOVERNANCE CODE 2020	APPLIED	NOT APPLIED	INAPPLICABLE	REFERENCE PARAGRAPH
9. All members of the supervisory board meet the independence requirements of Recommendation 7 for directors. The assessment of independence is carried out, with the timing and in the manner provided for in Recommendation 6, by the board of directors or the supervisory board, based on the information provided by each member of the supervisory board.		X		11.2
10. The outcome of the independence assessments of the directors and members of the supervisory board, as referred to in Recommendations 6 and 9, is disclosed to the market immediately after the appointment by means of a special announcement and, subsequently, in the Corporate Governance Report; on these occasions, the criteria used for assessing the materiality of the relationships under consideration are indicated and, where a director or member of the supervisory board has been deemed independent despite the occurrence of one of the situations indicated in Recommendation 7, a clear and reasoned justification for this choice is provided in relation to the position and individual characteristics of the person assessed.	X			4.7; 11.2
Article 3 - Functioning of the board of directors and the role of the Chairman				
Principles				
IX. The board of directors defines the rules and procedures for its own functioning, in particular in order to ensure effective management of board reporting.	X			4.4
X. The chairman of the board of directors has a role of liaison between the executive and non-executive directors and ensures the effective functioning of the board proceedings.	X			4.5
XI. The board of directors ensures an appropriate internal division of its functions and establishes board committees with investigative, proposing and advisory functions.	X			6
XII. Each director shall ensure an adequate time availability for the diligent performance of the tasks assigned to him.	X			4.4
Recommendations				
11. The board of directors adopts regulations defining the rules of operation of the board itself and its committees, including the procedures for taking minutes of meetings and the procedures for the management of reporting to the directors. These procedures identify the deadlines for the prior sending of the information and how the confidentiality of the data and information provided is to be protected in such a way that the timeliness and completeness of the information flows are not prejudiced. The report on corporate governance provides adequate information on the main contents of the regulations of the board of directors and on compliance with the procedures concerning the timeliness and adequacy of information provided to the directors.	X			4.4

CORPORATE GOVERNANCE CODE 2020	APPLIED	NOT APPLIED	INAPPLICABLE	REFERENCE PARAGRAPH
<p>12. The chairman of the board of directors, with the help of the board secretary, ensures:</p> <ul style="list-style-type: none"> a) that the pre-meeting briefing and additional information provided during meetings are adequate to enable directors to act in an informed manner in the performance of their role; b) that the activities of the board committees with investigative, proposing and advisory functions are coordinated with the activities of the board of directors; c) in agreement with the chief executive officer, that the executives of the company and of the companies of its group, responsible for competent corporate functions depending on the subject matter, attend the board meetings, also at the request of individual directors, to provide the appropriate in-depth information on items on the agenda; d) that all members of the board of directors and supervisory body may participate, after their appointment and during their term of office, in initiatives aimed at providing them with an adequate knowledge of the business sectors in which the company operates, of the company's dynamics and their evolution, also with a view to the sustainable success of the company itself, and also of the principles of proper risk management and of the applicable regulatory and governance framework; e) the adequacy and transparency of the board's self-assessment process, with the support of the nomination committee. 	X			4.5
<p>13. The board of directors appoints an independent director as lead independent director:</p> <ul style="list-style-type: none"> a) if the chairman of the board of directors is the chief executive officer or holds significant management powers; b) if the position of chairman is held by the person who controls, even jointly, the company; c) in large companies, even in the absence of the conditions set out in (a) and (b), if requested by the majority of the independent directors. 	X			
<p>14. The lead independent director:</p> <ul style="list-style-type: none"> a) is a point of reference and coordination for the requests and contributions of non-executive directors and, in particular, of independent directors; b) coordinates meetings only of the independent directors. 	X			4.7
<p>15. In large companies, the board of directors provides guidance on the maximum number of positions on the boards of directors or auditors in other listed or large companies that may be considered compatible with effective performance as a director of the company, taking into account the commitment resulting from the position held.</p>			X	

CORPORATE GOVERNANCE CODE 2020	APPLIED	NOT APPLIED	INAPPLICABLE	REFERENCE PARAGRAPH
<p>16. The board of directors establishes internal committees with investigative, proposing and advisory functions in the areas of appointments, remuneration and control and risk. The functions that the Code assigns to committees may be distributed differently or merged into a single committee, provided that adequate information is provided on the tasks and activities performed for each of the functions assigned and the Code's recommendations for the composition of the relevant committees are complied with.</p> <p>The functions of one or more committees may be assigned to the entire board, under the coordination of the chairman, provided that</p> <p>a) independent directors represent at least half of the board;</p> <p>b) the board of directors devotes adequate space within the board sessions to the performance of the functions typically attributed to these committees.</p> <p>If the functions of the remuneration committee are reserved for the board of directors, the last sentence of Recommendation 26 applies. Companies other than large ones may assign the functions of the control and risk committee to the board of directors, even in the absence of the condition mentioned in (a) above.</p> <p>Companies with a concentrated ownership, including large companies, may assign the functions of the nomination committee to the board of directors, even in the absence of the condition mentioned in (a) above.</p>	X			6; 7.2; 8.2; 9.2
<p>17. The board of directors defines the tasks of the committees and determines their composition, favouring the competence and experience of their members and avoiding, in large companies, an excessive concentration of tasks in this area.</p> <p>Each committee is coordinated by a chairperson who informs the board of directors of its activities at the first possible meeting. The chairman of the committee may invite the chairman of the board of directors, the chief executive officer, the other directors and, informing the chief executive officer, representatives of the relevant corporate functions, to individual meetings; meetings of each committee may be attended by members of the supervisory board. Committees are entitled to access the information and business functions necessary to perform their tasks, have access to financial resources and be assisted by external consultants, within the terms set by the board of directors.</p>	X			6; 7.2; 8.2; 9.2
<p>18. On the proposal of the chairman, the board of directors decides on the appointment and dismissal of the board secretary and defines his professional requirements and powers in the board regulations. The secretary supports the work of the chairman and provides impartial assistance and advice to the board of directors on all aspects relevant to the proper functioning of the corporate governance system.</p>	X			4.5
<p>Article 4 - Appointment of the directors and self-assessment of the board of directors</p> <p>Principles</p>				
<p>XIII. The board of directors shall ensure, for areas under its responsibility, that the process for the appointment and succession of directors is transparent and functional to achieving the optimal composition of the board in accordance with the principles in Article 2.</p>	X			7

CORPORATE GOVERNANCE CODE 2020	APPLIED	NOT APPLIED	INAPPLICABLE	REFERENCE PARAGRAPH
XIV. The board of directors periodically assesses the effectiveness of its activities and the contribution made by its individual members, through formalised procedures, the implementation of which it oversees.	X			7
Recommendations				
19. The board of directors tasks the nomination committee with assisting it in the following activities: a) the self-assessment of the board and its committees; b) the definition of the optimal composition of the board and its committees; c) the identification of candidates for the position of director in the event of co-option; d) the possible submission of a list by the outgoing board of directors to be implemented in a manner that ensures its transparent formation and presentation; e) the preparation, updating and implementation of any succession plan for the chief executive officer and other executive directors.		X		7.2
20. The majority of the nomination committee is composed of independent directors.		X		7.2
21. The self-assessment focuses on the size, composition and actual functioning of the board of directors and its committees, also considering its role in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system.		X		7
22. The self-assessment is conducted at least every three years, in view of the renewal of the board of directors. In large companies other than those with a concentrated ownership, the self-assessment is conducted annually and may also be carried out in a differentiated manner during the term of office of the board, evaluating whether to be assisted by an independent consultant at least every three years.		X		7
23. In companies other than those with a concentrated ownership the board of directors: - provides guidance, with a view to each renewal, on the quantitative and qualitative board composition considered optimal, taking into account the results of the self-assessment; - requires those who submit a list containing a number of candidates exceeding half of the members to be elected to provide adequate information, in the documentation submitted for filing the list, on the conformity of the list with the guidance of the board of directors, also with reference to the diversity criteria provided for in Principle VII and Recommendation 8, and to indicate their candidate for the position of chairman of the board of directors, whose appointment shall be made according to the procedures set out in the articles of association. The guidance of the outgoing board of directors is published on the company's website well in advance of the publication of the notice of the shareholders' meeting concerning its renewal. The guidance identifies the managerial and professional profiles and skills deemed necessary, also in the light of the company's sector characteristics, considering the diversity criteria set out in Principle VII and Recommendation 8 and the guidance given on the maximum number of positions in application of Recommendation 15.		X		7; 16

CORPORATE GOVERNANCE CODE 2020	APPLIED	NOT APPLIED	INAPPLICABLE	REFERENCE PARAGRAPH
24. In large companies, the board of directors: <ul style="list-style-type: none"> - defines, with the support of the nomination committee, a plan for the succession of the chief executive officer and executive directors that at least identifies the procedures to be followed in the event of early termination of office; - ascertains the existence of adequate procedures for the succession of top management. 			X	
Article 5 - Remuneration				
Principles				
XV. The policy for the remuneration of directors, members of the supervisory board and top management is functional to the pursuit of the company's sustainable success and takes into account the need to have available, retain and motivate people with the competence and professionalism required by their role in the company.	X			8.1
XVI. The remuneration policy is drawn up by the board of directors through a transparent procedure.	X			8.1
XVII. The board ensures that the remuneration paid and accrued is consistent with the principles and criteria defined in the policy, in light of the results achieved and other circumstances relevant to its implementation.	X			8.1
Recommendations				
25. The board of directors entrusts the remuneration committee with the task of: <ol style="list-style-type: none"> a) assisting it in drawing up the remuneration policy; b) submitting proposals or giving opinions on the remuneration of executive directors and other directors holding special positions, as well as setting performance targets related to the variable component of such remuneration; c) monitoring the concrete application of the remuneration policy and verifying, in particular, the actual achievement of performance targets; d) periodically evaluating the adequacy and overall consistency of the policy for the remuneration of directors and top management. In order to have individuals with adequate competence and professionalism, the remuneration of both executive and non-executive directors, and of members of the supervisory board is defined taking into account the remuneration practices prevailing in reference sectors and for companies of a similar size, also considering comparable foreign experience and seeking the assistance of an independent consultant, if necessary.	X			8.1; 8.2
26. The remuneration committee is composed of only non-executive directors, the majority of whom are independent, and is chaired by an independent director. At least one member of the committee has adequate knowledge and experience in financial matters or remuneration policies, to be assessed by the board of directors at the time of appointment. No director participates in meetings of the remuneration committee in which proposals are formulated to the board of directors regarding their remuneration	X			8.2

CORPORATE GOVERNANCE CODE 2020	APPLIED	NOT APPLIED	INAPPLICABLE	REFERENCE PARAGRAPH
<p>27. The policy for the remuneration of executive directors and top management defines:</p> <ul style="list-style-type: none"> a) a balance between the fixed component and the variable component that is appropriate and consistent with the company's strategic objectives and risk management policy, taking into account the characteristics of the company's business and the sector in which it operates, providing in any case that the variable component represents a significant part of the overall remuneration; b) maximum limits on the allocation of variable components; c) performance targets, to which the payment of variable components is linked, predetermined, measurable and mainly related to a long-term horizon. The targets are consistent with the company's strategic objectives and are designed to promote its sustainable success, including, where relevant, non-financial parameters; d) an adequate deferral period - with respect to the time of maturity - for the payment of a significant portion of the variable component, consistent with the characteristics of the business activity and related risk profiles; e) contractual arrangements permitting the company to demand repayment, in whole or in part, of variable components of remuneration paid (or to withhold amounts subject to deferral), determined on the basis of data that later proved to be manifestly erroneous and other circumstances that may be identified by the company; f) clear and predetermined rules for the possible payment of severance pay, which define the upper limit of the total sum payable by linking it to a certain amount or a certain number of years of remuneration. This severance pay is not disbursed if the termination of the relationship is due to the achievement of objectively inadequate results. 	X			8.1
<p>28. Share-based remuneration plans for executive directors and top management incentivise alignment with shareholder interests over a long-term horizon, with a predominant part of the plan having an overall vesting period and retention period of at least five years.</p>		X		
<p>29. The policy for the remuneration of non-executive directors provides for remuneration commensurate with the competence, professionalism and commitment required by the tasks assigned to them within the board of directors and board committees; this remuneration is not linked, except for an insignificant part, to financial performance targets.</p>	X			8.1
<p>30. The remuneration of the members of the supervisory board provides for remuneration commensurate with the competence, professionalism and commitment required by the importance of the role covered and the size and sector characteristics of the company and its situation.</p>	X			8.1

CORPORATE GOVERNANCE CODE 2020	APPLIED	NOT APPLIED	INAPPLICABLE	REFERENCE PARAGRAPH
31. On the occasion of the termination of the office and/or termination of the relationship with an executive director or general manager, the board of directors shall disclose detailed information on the matter in a press release, disseminated to the market at the end of the internal processes leading to the award or recognition of any indemnity and/or other benefits, concerning:				
a) the allocation or recognition of indemnities and/or other benefits, the circumstances justifying their accrual (e.g. due to expiry of office, revocation of office or settlement agreement) and the decision-making procedures followed within the company for this purpose;				
b) the total amount of the indemnity and/or other benefits, their components (including non-monetary benefits, retention of rights connected to incentive plans, consideration for non-compete commitments or any other remuneration awarded for any reason and in any form) and the timing of their payment (making a distinction between the portion paid immediately from that subject to deferral mechanisms);	X			8.1
c) the application of any claw-back or malus clauses;				
d) compliance of the elements indicated in points a), b) and c) above with indications in the remuneration policy, clearly stating the reasons and decision-making procedures followed in the event of deviation, even partial, from the policy;				
e) information on the procedures that have been or will be followed to replace the outgoing executive director or general manager.				
Article 6 – Internal control and risk management system				
Principles				
XVIII. The internal control and risk management system consists of the set of rules, procedures and organisational structures aimed at the effective and efficient identification, measurement, management and monitoring of the main risks, in order to contribute to the sustainable success of the company.	X			9
XIX. The board of directors defines the guidelines of the internal control and risk management system in line with the company's strategies and annually assesses its adequacy and effectiveness.	X			9
XX. The board of directors defines the principles concerning the coordination and information flows between the various parties involved in the internal control and risk management system in order to maximise the efficiency of the system itself, reduce duplication of activities and ensure effective performance of the tasks of the supervisory board.	X			9.7; 9.8

CORPORATE GOVERNANCE CODE 2020	APPLIED	NOT APPLIED	INAPPLICABLE	REFERENCE PARAGRAPH
Recommendations				
<p>32. The organisation of the internal control and risk management system involves, each within their respective competences:</p> <ul style="list-style-type: none"> a) the board of directors, which plays a role in guiding and assessing the adequacy of the system; b) the chief executive officer, responsible for establishing and maintaining the internal control and risk management system; c) the control and risk committee, established within the board of directors, with the task of supporting the board's assessments and decisions relating to the internal control and risk management system and the approval of periodic financial and non-financial reports. In companies adopting the 'one-tier' or 'two-tier' corporate model, the functions of the control and risk committee may be assigned to the supervisory board; d) the head of the internal audit function, in charge of verifying that the internal control and risk management system is functioning, adequate and consistent with the guidelines defined by the board of directors; e) other corporate functions involved in controls (such as risk management and legal and non-compliance risk control functions), which are structured according to the size, sector, complexity and risk profile of the company; f) the supervisory board, which monitors the effectiveness of the internal control and risk management system. 	X			9.7
<p>33. The board of directors, with the support of the control and risk committee:</p> <ul style="list-style-type: none"> a) defines the guidelines of the internal control and risk management system in line with the company's strategies and assesses, at least once a year, the adequacy of the system in relation to the characteristics of the company and the risk profile assumed, as well as its effectiveness; b) appoint and dismisses the head of the internal audit function, defining their remuneration in line with company policies, and ensuring they are given adequate resources to perform their duties. If the board decides to entrust the internal audit function, as a whole or by operating segment, to an entity external to the company, it shall ensure that the entity meets adequate requirements of professionalism, independence and organisation and shall provide adequate justification for this choice in the corporate governance report; c) approves, at least once a year, the work plan prepared by the head of the internal audit function, in consultation with the supervisory board and the chief executive officer; d) assesses whether measures should be taken to ensure the effectiveness and impartial judgement of the other corporate functions mentioned in Recommendation 32(e), verifying that they have adequate professionalism and resources; e) assigns the supervisory functions pursuant to Article 6(1)(b) of Legislative Decree no. 231/2001 to the supervisory board or to a body that been specially set up. In the event that the body does not coincide with the supervisory board, the board of directors shall assess the appropriateness of appointing at least one non-executive director and/or one member of the supervisory board and/or the holder of the company's legal or control functions to the body, in order to ensure coordination between the various persons involved in the internal control and risk management system; f) assesses, consulting with the supervisory board, the findings set out by the statutory auditor in the management letter if any, and in the additional report addressed to the supervisory board; g) describes, in the corporate governance report, the main features of the internal control and risk management system and the methods of coordination between the parties involved in it, indicating the models and applicable national and international best practices, expresses its overall assessment of the adequacy of the system and gives an account of the choices made regarding the composition of the supervisory body referred to in point e) above. 	X			9

CORPORATE GOVERNANCE CODE 2020	APPLIED	NOT APPLIED	INAPPLICABLE	REFERENCE PARAGRAPH
<p>34. The chief executive officer:</p> <ul style="list-style-type: none"> a) oversees the identification of the main corporate risks, taking into account the characteristics of the activities carried out by the company and its subsidiaries, and periodically submits them to the board of directors for review; b) implements the guidelines defined by the board of directors, taking care of the design, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness, as well as adapting it to the dynamics of the operating conditions and the legal and regulatory framework; c) may entrust the internal audit function with audits of specific operational areas and of compliance with internal rules and procedures in the execution of corporate transactions, notifying at the same time the chairman of the board of directors, the chairman of the internal control and risk management committee and the chairman of the supervisory board; d) reports promptly to the internal control and risk management committee on problems and critical issues arising in the performance of its activities or of which it has become aware, so that the committee may take appropriate measures. 	X			9.1
<p>35. The internal control and risk management committee is composed of only non-executive directors, the majority of whom are independent, and is chaired by an independent director. As a whole, the committee has adequate expertise in the business sector in which the company operates to assess relevant risks; at least one member of the committee has adequate knowledge and experience in accounting and finance or risk management. The internal control and risk management committee, in assisting the board of directors:</p> <ul style="list-style-type: none"> a) assesses, after consulting with the financial reporting officer, the statutory auditor and the supervisory board, the correct use of accounting policies and, in the case of groups, their uniformity for the purposes of preparing the consolidated financial statements; b) assesses the suitability of periodic financial and non-financial information to fairly represent the company's business model, strategies, the impact of its activities and the performance achieved, coordinating with the committee, if any, provided for in Recommendation 1(a); c) examines the content of periodic non-financial information relevant to the internal control and risk management system; d) gives opinions on specific aspects relating to the identification of the main corporate risks and supports the assessments and decisions of the board of directors relating to the management of risks arising from adverse events of which the latter has become aware; e) examines periodic reports and reports of particular relevance prepared by the internal audit function; f) monitors the autonomy, adequacy, effectiveness and efficiency of the internal audit function; g) may entrust the internal audit function with the performance of audits on specific operational areas, simultaneously notifying the chairman of the supervisory board; h) reports to the board of directors, at least on the occasion of the approval of the annual and half-yearly financial report, on the activities carried out and the adequacy of the internal control and risk management system. 	X			9.2

CORPORATE GOVERNANCE CODE 2020	APPLIED	NOT APPLIED	INAPPLICABLE	REFERENCE PARAGRAPH
<p>36. The head of the internal audit function is not responsible for any operational area and reports hierarchically to the board of directors. He has direct access to all information useful for the performance of the task.</p> <p>The head of the internal audit function:</p> <ul style="list-style-type: none"> a) verifies, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the functioning and suitability of the internal control and risk management system, through an audit plan approved by the board of directors, based on a structured process of analysis and prioritisation of the main risks; b) prepares periodic reports containing adequate information on its activities, on the manner in which risk management is conducted, and on compliance with the plans defined to contain risk. The periodic reports contain an assessment on the suitability of the internal control and risk management system; c) also at the request of the supervisory board, he prepares timely reports on events of particular significance; d) forwards the reports referred to in points (b) and (c) to the chairpersons of the supervisory board, the audit and risk committee and the board of directors, as well as to the chief executive officer, unless the subject of such reports specifically concerns the activities of those persons; e) verifies, as part of the audit plan, the reliability of information systems including accounting systems. 	X			9.3
<p>37. The member of the supervisory board who, on his own behalf or on behalf of third parties, has an interest in a certain transaction of the company shall promptly and fully inform the other members of the same board and the chairman of the board of directors of the nature, terms, origin and extent of his interest.</p> <p>The supervisory board and the control and risk committee exchange information relevant to the performance of their respective tasks in a timely manner. The chairman of the supervisory board, or another member designated by him, takes part in the work of the control and risk committee.</p>	X			11.2





Direzione e Coordinamento
IMMSI S.p.A.
Cap. Soc. Euro 207.613.944,37 i.v.
Sede legale: Pontedera (PI) viale R. Piaggio, 25
Reg. Imprese Pisa e Codice fiscale 04773200011
R.E.A. Pisa 134077

