

Explanatory Report of the Board of Directors on the fourth item on the agenda of the ordinary part of the Shareholders' Meeting of Piaggio & C. S.p.A. called for 17 April 2024, on first call, and for 18 April 2024, on second call

(prepared pursuant to Article 125-ter of Legislative Decree No. 58 of 24 February 1998 (Consolidated Law on Finance or "TUF"), as amended)

Item No. 4 on the agenda in ordinary session:

“4) Subject to the approval of the new text of the Articles of Association referred to in item 1 on the agenda of the Shareholders’ Meeting in extraordinary session, appointment of the Board of Directors:

4.1) Determination of the number of members of the Board of Directors;

4.2) determination of term of office;

4.3 Appointment of the members of the Board of Directors;

4.4) determination of fees.”

Dear Shareholders,

with the approval of the financial statements as of 31 December 2023, the term of office of the Board of Directors and the Board of Statutory Auditors of Piaggio & C. S.p.A. (the “**Company**”), appointed by the ordinary Shareholders' Meeting of 14 April 2021, expires. It is therefore necessary to renew the corporate bodies.

In this regard, the Shareholders’ Meeting convened for 17 April 2024 on first call, and for 18 April 2024 on second call, will first of all be called upon to resolve, in an extraordinary session, on the approval of the new text of the Articles of Association, which envisages the transition to the so-called “one-tier” system of administration and control, as set forth in Articles 2409-*sexiesdecies* et seq. of the Italian Civil Code, effective as from the registration of the resolution in the Register of Companies (on this point, please refer to the Board of Directors’ report on the first item on the extraordinary session agenda, to which the new text of the Articles of Association is attached).

If the aforementioned proposed changes to the Articles of Association are approved, the Shareholders’ Meeting will then proceed to appoint the new Board of Directors on the basis of the new Articles of Association, effective as of the registration in the Register of Companies of the resolution adopting the new Articles of Association; on the other hand, it will not be necessary to appoint the Board of Statutory Auditors, since it is absent in the “one-tier” system and is replaced by the Management Board Committee, elected by the Board of Directors from among its members.

If, on the other hand, these changes are not approved, the election of the Board of Directors as per item No. 4 on the agenda will be postponed to a newly convened shareholders’ meeting for the appointment of the Board of Directors and the Board of Statutory Auditors in accordance with the current rules of the Articles of Association, and in compliance with the rules and terms of the law and regulations.

Composition of the Board of Directors

Pursuant to Article 13.1 of the new Articles of Association, the Company is administered by a Board of Directors consisting of no fewer than 7 (seven) and no more than 15 (fifteen) members, 3 (three) of whom are also members of the Management Control Committee.

At the time of its appointment, the ordinary Shareholders’ Meeting is required to determine

the number of Board members within the aforesaid limits, as well as their term of office, which cannot 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. Directors may be re-elected.

Pursuant to Article 13.2 of the new Articles of Association, Directors must possess the requirements established by law, the Articles of Association and other applicable provisions. No person may be appointed to the office of Director of the Company and, if appointed, shall be disqualified from office, who has not acquired a total of at least three years' experience in the exercise of:

- a) administration and control activities or management tasks in joint-stock companies with a capital of not less than €2 million; or
- b) professional activities or tenured university teaching in legal, economic, financial, and technical-scientific subjects closely related to the Company's activities; or
- c) management functions in public bodies or public administrations operating in the credit, financial and insurance sectors or, in any case, in sectors closely related to that of the Company's business.

The Directors must possess the requisites prescribed by legal regulations applicable at the time; of them, at least one third (with a minimum in any case of three, and without prejudice to any greater number envisaged by the legislation applicable from time to time, see *infra*) must meet the independence requirements set forth in Article 148, paragraph 3, of the Consolidated Law on Finance, and of these, at least three (i.e. the number of members of the Management Control Committee) must meet the requirements set forth in Article 148, paragraph 4, of the Consolidated Law on Finance. In addition to the above, at least one of the latter must be entered in the register of statutory auditors.

If a Director no longer has the prescribed requisites his or her term of office shall immediately expire. If a Director no longer meets the independence requirements as under Article 148, paragraph 3 of the Consolidated Law on Finance, he/she will not have to step down, if the minimum number of Directors required by applicable laws and the Articles of Association meets these requirements.

Board of Directors appointment mechanism based on the list vote

Pursuant to Article 13.3 of the Articles of Association, Directors are appointed by the ordinary Shareholders' Meeting, in accordance with regulations in force at the time concerning gender balance and based on the lists submitted by Shareholders in which candidates must be listed with a sequential number.

It should be noted that, pursuant to the same article of the Articles of Association, lists that present a number of candidates equal to or greater than three must be composed of candidates belonging to both genders, in accordance with the regulations in force at the time

regarding the balance between genders and, therefore, ensure that the lesser represented gender obtains at least two-fifths of the directors elected (Article 147, paragraph 1-ter of the Consolidated Law on Finance) with rounding up to the next higher unit (Article 144-undecies, paragraph 3, CONSOB Regulation No. 11971/1999).

Each shareholder, 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. We also remind you that Shareholders submitting a “minority list” should consult the recommendations issued by CONSOB with notice no. DEM/9017893 of 26 February 2009.

Only those shareholders who, alone or as a group, represent at least 2.5% of the share capital, or another lower percentage established by legal or regulatory provisions, may nominate candidates on lists. It should be that by resolution of the Head of Corporate Governance no. 92 of 31 January 2024, CONSOB set the relative share capital ownership threshold required to nominate candidate lists for election to the control bodies of issuers at 2.5%.

The lists submitted by Shareholders must be deposited at least twenty-five days prior to the date set for the Shareholders’ Meeting on first call, i.e. by 23 March 2024, in the following manner:

- at the company’s registered office in Pontedera (PI), Viale Rinaldo Piaggio no. 25, on working days, i.e. Monday to Friday, from 8.30 a.m. to 6 p.m;
- via the certified e-mail address piaggiogroup.corporate.governance@legalmail.it; in the case of submission of lists by certified e-mail, a valid identification document must also be sent by the submitters.

Shareholders are also reminded that, whilst composing candidate lists, to comply with the provisions of Article 16, paragraph 1, letter d), of CONSOB Regulation no. 20249 of 28 December 2017 (the “**Market Regulations**”), which provides that for subsidiaries subject to the management and coordination of other Italian or foreign companies with shares listed on regulated markets, a Board of Directors composed of a majority of independent directors is also required, as defined by Article 16, paragraph 2, of the Market Regulation and therefore in possession of the requirements set forth in Article 148, paragraph 3, of the Consolidated Law on Finance and Article 2, recommendation no. 7 of the Corporate Governance Code approved by the Corporate Governance Committee (the “**Corporate Governance Code**”). Pursuant to aforementioned Article 16, paragraph 1, letter d) of the Market Regulations, moreover, those Directors who comply with the aforementioned requirements yet simultaneously hold the office of Director in the company that exercises management and coordination activities (i.e. Immsi S.p.A.) cannot be considered independent.

Together with each list, the following must be filed at the registered office by the

aforementioned deadline:

- (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 the individual candidates accept their candidacy and attest, under their own responsibility, the non-existence of causes of ineligibility and incompatibility, as well as the existence of the requirements prescribed by current legislation and the Articles of Association for their respective offices, including the possible suitability to qualify as independent pursuant to Article 148, paragraph 3 of Legislative Decree 58/1998.

Ownership of the shareholding required, pursuant to the foregoing, for the purpose of submitting the list, shall be attested by the intermediary authorised to maintain accounts sending to the Company the notice required by Article 43 of the CONSOB/Bank of Italy Single Resolution on Post Trading Regulating Central Counterparties, Central Depositories and Centralised Management Activities of 13 August 2018, even after the filing of the list, provided that it is at least twenty-one days prior to the date set for the Shareholders' Meeting on first call, i.e. by 6:00 p.m. on 27 March 2024. Please note that ownership of the shareholding is determined for the shares that are recorded in the name of the Shareholder on the date on which the lists are filed with the Company.

Lists that fail to comply with the aforesaid legal provisions shall be deemed as not having been submitted. The lists shall also be subject to other types of advertisement provided for by applicable law and other regulations in force at the time. In particular, at least twenty one days before the date of the Shareholders' Meeting (i.e. by 27 March 2024) the lists will be made available to the public at the registered office, on the Company's website and via other regulated forms required by CONSOB.

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.

Each person entitled to vote may vote for one list only.

Procedures for appointment of the Board of Directors

The procedure for appointing Directors is as follows:

- a) the following shall be taken from the list obtaining the highest number of votes, in the sequential order in which they appear on the list all Directors to be elected except one;

- b) The first candidate who meets the requirements to be a member of the Management Control Committee is drawn from the minority list that is not connected in any way, not even indirectly, with those who presented or voted for the list referred to in point a) and that obtained the highest number of votes, based on the sequential order in which the candidates are indicated on the list.

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).

If the candidates elected through the above methods do not ensure the appointment of a number of Directors who meet the independence requirements set forth in the second paragraph of Article 13 of the new Articles of Association, three of whom also meet the additional requirements for the members of the Management Control Committee, the candidate who does not meet the said requirements elected as the last in numerical order in the list that received the highest number of votes, as set forth in point a) above, shall be replaced by the first candidate not elected in the same list meeting said requirements, or, failing that, by the first candidate not elected in the other lists who meets said requirements, according to the number of votes obtained by each.

This replacement procedure shall take place until the Board of Directors is composed of the minimum number of Directors meeting the requirements set forth in Article 148, paragraph 3, of the Consolidated Law on Finance in accordance with the law and the Articles of Association, three of whom also meet the additional requirements for members of the Management Control Committee. Should said procedure not ensure the result indicated in the foregoing, the substitution shall take place by a resolution passed by a relative majority at a shareholders' meeting, subject to the presentation of candidatures for persons having the above mentioned requisites.

If, moreover, with the candidates elected in the manner described above do not ensure the composition of the Board of Directors complies with the regulations in force at the time on gender balance, the candidate of the most represented gender elected as the last in numerical order on the list that received the highest number of votes shall be replaced by the first candidate of the least represented gender not elected from the same list in numerical 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 13.4 of the new Articles of Association, if only one list is submitted or if no list is submitted, the Shareholders' Meeting shall pass resolutions with the majorities required by law, without observing the slate voting procedure, in order to ensure in any case

(i) the presence of the minimum number of independent Directors pursuant to Article 148, paragraph 3, of the Consolidated Law on Finance prescribed by the Articles of Association, three of whom meet the additional requirements set forth by current laws and by the Articles of Association for the members of the Management Control Committee, and (ii) compliance with the regulations in force at the time concerning the balance between genders.

Finally, it should be noted that at its meeting of 4 March 2024, the Company's Board of Directors defined, in accordance with the recommendations of the Corporate Governance Code (see Article 4, Recommendation No. 23 applied on a voluntary basis), at the proposal of the Appointment Proposal Committee and taking into account the results of the self-assessment, a guideline on its quantitative and qualitative composition deemed optimal, as well as on the diversity policy in the composition of the Board of Directors.

In this regard, the Board deemed it appropriate to provide the following indications:

- considering the size and activities of the Company, the number of Directors of the current board (9) is considered adequate;
- the Directors must possess the requisites prescribed by Article 13 of the new 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;
- by virtue of the provisions of Article 16 of the Market Regulations, the majority of Directors must meet the requirements of independence established law and the Corporate Governance Code in order to guarantee correct composition of the intra-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 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 Chairperson and Chief Executive Officer, as well as the balance between executive and non-executive components, it is considered that:
 - (a) the Chairperson is a member endowed with (i) authority to perform the office or, in any case, characteristics such as to ensure during the term of office a correct and transparent management of the functioning of the Board of Directors, thus representing a figure capable of enhancing the interests of all Shareholders, as well as a reference for the management of the dialogue 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 CEO. It is also deemed appropriate for the Chairperson 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 Procedure, with delegated powers in the area of institutional relations and, together with the CEO, 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.

In addition, with reference to the diversity policy of the Management Control Committee, the Committee proposes that, without prejudice to the legal obligations on professionalism and gender balance in force at the time, the Board – when appointing the members of the Management Control Committee from among its own members – should take into account the need for diversity in the composition of the control body in terms of age and educational and professional background, in order to ensure that the skills required to ensure the proper performance of the functions assigned to it are guaranteed.

Determination of remuneration for the Board of Directors

Finally, you are required to determine the remuneration of the members of the Board of Directors. In this regard, note that, pursuant to Article 19.1 of the Articles of Association, in addition to reimbursement of expenses incurred for the performance of the office, Directors are entitled to an annual remuneration that is decided by the Ordinary Shareholders' Meeting appointing them and which shall remain unchanged unless changed by resolution of that Shareholders' Meeting. Alternatively, pursuant to Article 19.3 of the Articles of Association, the Shareholders' Meeting may set an overall amount for the remuneration of all Directors, including those conferred with special positions, the allocation of which being established by the Board of Directors after consulting the Management Control Committee.

Lastly, Article 25.4 of the new Articles of Association provides that it is up to the Ordinary Shareholders' Meeting to establish, upon the appointment of the Board of Directors, a specific additional fee for the members of the Management Control Committee, determined in each case as a fixed and equal amount, but with a specific increase for the Chairman.

In connection with the foregoing, we invite you to make specific determinations on the fixed remuneration to be paid, for the entire term of office, to the members of the Board of Directors; in particular, we invite you to establish, without prejudice to the reimbursement of expenses incurred by reason of the office:

- (i) the remuneration of each member of the Board of Directors who is not also a member of the Management Control Committee;

- (ii) the additional remuneration for each member of the Board of Directors who is also a member of the Management Control Committee;
- (iii) the additional remuneration for the Chairperson of the Management Control Committee.

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Taking into account the recommendations of the Corporate Governance Code (see Article 4, recommendation no. 23 voluntarily applied), Shareholders who submit a list containing a number of candidates exceeding half of the members to be elected are invited to formulate – and transmit to the certified e-mail address *piaggiogroup.corporate.governance@legalmail.it* – proposals on topics on which no specific proposal has been formulated by the Directors and, in particular, proposals functional to the process of appointing the Board of Directors (determination of the number of members and duration of the Board of Directors, as well as the annual remuneration), well in advance so that these proposals can be published by the Company at the same time as the lists.