



Piaggio & C. S.p.A.

Report on remuneration policy and compensation paid

**prepared pursuant to Article 123-ter of Italian Legislative Decree 58/1998 and Article
84-quater of Consob Regulation 11971/1999**

4 March 2024

REPORT ON REMUNERATION POLICY AND COMPENSATION PAID

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

The Remuneration Report is divided into the following sections:

- Section I - in compliance with Article 123-ter of the Consolidated Law on Finance and Article 9-*bis* of the Directive - illustrates the Company's policy on the remuneration of the members of the board of directors, general managers and key managers (if appointed) and of the members of the supervisory board of the Company, taking into account the *governance* system adopted by the Company, as well as the procedures used for the adoption, review and implementation of this policy, including measures to avoid or manage possible conflicts of interest;
- Section II, by name for the remuneration attributed to Directors, members of the supervisory board and general managers and in aggregate for the remuneration attributed to key management personnel (if appointed):
 - it provides an adequate, clear and understandable representation of each of the items that make up the remuneration, including benefits in the event of termination of office or termination of employment (if any), highlighting their compliance with the Company's remuneration policy for the year in question and the ways in which remuneration contributes to the Company's long-term results;
 - it illustrates in detail the remuneration paid in the reporting year for whatever reason and in whatever form by the Company and its subsidiaries or associates.

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

SECTION I

This section of the Report on Remuneration describes the main lines of the remuneration policy adopted by the Company (hereafter the "**Remuneration Policy**"), which defines the principles and guidelines followed by the Piaggio Group in determining and monitoring the application of remuneration practices for directors, general managers, key managers and members of the Control Management Committee, taking into account the *governance* system to be adopted by the Company as better specified *below*.

In this regard, it should be preliminarily noted that the Remuneration Policy, as described in this Section I, was drafted on the assumption that the next Shareholders' Meeting, convened in extraordinary session, will approve the new text of the Articles of Association and thus the adoption of the so-called "one-tier" administration and control system pursuant to Article 2409-*sexiesdecies* of the Italian Civil Code in place of the "traditional" one, and the additional amendments to the Articles of Association proposed.

This Remuneration Policy, approved by the Board of Directors on 4 March 2024, based on the compliant proposal of the Remuneration Committee, therefore amends the remuneration policy approved by the Ordinary Shareholders' Meeting of 18 April 2023 both to take into account the provisions of the new text of the Articles in Association in relation to the adoption of the so-called "one-tier" *governance* system, and to include certain clarifications with particular reference to the variable remuneration of executive directors, also in order to align them with the current system of delegated powers.

It should also be noted that in Section II of this Report, since it relates to the financial year 2023, references to the so-called traditional *governance* structure (Board of Directors and Board of Statutory Auditors, bodies that will remain in office until the new *governance* system is effective and therefore until registration of the resolution of the Extraordinary Shareholders' Meeting referred to above with the Companies' Register). The Remuneration Policy defines the goals pursued and the principles that underlie the determination of remuneration for governance bodies, general managers and key managers, as further explained in the subsequent paragraph 2.

The Remuneration Policy was also drafted in the light of recommendations indicated in the Corporate Governance Code of listed companies approved in January 2020 by the *Corporate Governance* Committee (the "**Corporate Governance Code**" or "**CG Code**").

The Remuneration Policy has a duration of one year.

As required by Consob Regulation no. 17221 of 12 March 2010 concerning transactions with related parties (the "**Regulation on Related Parties**"), as transposed in the internal procedure adopted by the Company ("**RPT Procedure**") (and available on the group *website* at www.piaggiogroup.com in the *Governance* section), approval of the Remuneration Policy by the Shareholders' Meeting exempts the Company from applying the above procedure for related party transactions in resolutions concerning the remuneration of directors and key managers, provided that these are consistent with the Remuneration Policy:

- (i) the company has adopted a remuneration policy approved by the Shareholders' Meeting;
- (ii) a committee made up exclusively of non-executive directors or board members, the majority of whom are independent, was involved in defining the remuneration policy;

- (iii) the remuneration awarded is identified in accordance with this policy and quantified on the basis of criteria that do not involve discretionary evaluations.

Furthermore, pursuant to Article 13, paragraph 1, of the Regulation on Related Parties, the RPT Procedure does not apply to shareholders' resolutions that are pursuant to Article 2389, paragraph 1, of the Italian Civil Code, regarding remuneration due to the members of the Board of Directors and the executive committee, or to the resolutions concerning the remuneration of directors assigned special duties which falls within the total amount previously determined by the Shareholders' Meeting, pursuant to Article 2389, paragraph 3, second sentence of the Civil Code.

Please note that the Remuneration Policy in Section I of the Report, prepared in the financial year 2023 was approved by a 66.02% majority of votes by Shareholders taking part in the Shareholders' Meeting of 18 April 2023, who did not make any evaluations regarding the Remuneration Policy, neither during the Meeting, nor at a later date.

1. Parties involved in the preparation, approval and auditing (where applicable) of the Remuneration Policy

The main individuals and bodies involved in the preparation, approval and review of the Remuneration Policy are the Shareholders' Meeting, the Board of Directors, the Remuneration Committee and the Management Control Committee.

1.1 Board of Directors

The Board of Directors:

- establishes the Remuneration Committee from among its members;
- in line with the Remuneration Policy, determines the remuneration of directors holding special positions, subject to the opinion of the Management Control Committee and the proposal of the Remuneration Committee;
- establishes, at the proposal of the Remuneration Committee, the Remuneration Policy, and its auditing where applicable;
- prepares the Remuneration Report, pursuant to Article 123-ter of the Consolidated Law on Finance and Article 84-quater of the Consob Regulation on Issuers, submits it to the Shareholders' Meeting for approval pursuant to Article 123-ter, paragraph 3-bis, of the Consolidated Law on Finance and ensures its implementation;
- prepares remuneration plans based on shares or other securities for directors, employees and co-workers, including key managers, submits these for approval by the Shareholders' Meeting pursuant to Article 114-bis of the Consolidated Law on Finance and ensures implementation.

1.2 Remuneration Committee

The Remuneration Committee of the Company, established in the Board of Directors as set forth by the CG Code, is composed of non-executive and independent directors.

The Remuneration Committee has the following tasks:

- assist the Board of Directors with drawing up the Remuneration Policy;
- present proposals or express opinions on the remuneration of executive Directors and the other Directors holding specific positions and to set *performance* objectives related to the variable component of that remuneration;
- monitor effective application of the Remuneration Policy and especially check effective achievement of the *performance* objectives;
- periodically assess the overall adequacy and consistency of the Remuneration Policy.

The Remuneration Policy has therefore been outlined and approved by the Board of Directors at the proposal of the Remuneration Committee.

As mentioned above, competence for the implementation of the Remuneration Policy lies with the Board of Directors, with the power to delegate it to the Chairman and Chief Executive Officer of the Company, subject to the involvement of the Remuneration Committee in the cases provided for by the Policy, it being understood that any decision

relating and/or pertaining to the implementation of the Remuneration Policy concerning one of the above mentioned subjects will remain the exclusive competence of the Board.

The Remuneration Committee appointed by the Board on 15 April 2021 and in office at the date of this Report is composed of the three independent and non-executive Directors Rita Ciccone, acting as Chairperson, Andrea Formica and Graziano Gianmichele Visentin. All Committee members have experience in finance and remuneration policies considered suitable by the Board at the time of appointment.

Pursuant to Recommendation 26 of the Corporate Governance Code, in order to manage any conflicts of interest, no Director participates in meetings of the Remuneration Committee in which proposals are formulated to the Board of Directors regarding his/her remuneration.

The Directors abstain from voting when the Board of Directors passes resolutions concerning their own remuneration, without prejudice to the rules on related party transactions set out in the RPT Procedure (where applicable).

The Remuneration Committee meets annually and whenever it is necessary to resolve on remuneration.

1.3 Shareholders' Meeting

With regard to remuneration, the Shareholders' Meeting:

- determines the remuneration of the members of the Board of Directors pursuant to Article 2364, paragraph 1, no. 3 of the Italian Civil Code;
- establishes, upon appointment by the Board of Directors, specific additional remuneration for the members of the Management Control Committee;
- expresses (i) a binding vote on Section I of the Remuneration Report prepared by the Board of Directors (upon proposal of the Remuneration Committee) at the frequency required by the duration of the Remuneration Policy (i.e. on an annual basis) and in any case on the occasion of amendments to the said Policy¹ and (ii) a non-binding vote on Section II of the Report on an annual basis;
- makes resolutions on any remuneration plans based on shares or other financial instruments intended for directors, employees and co-workers, including key managers, pursuant to Article 114-*bis* of the Consolidated Law on Finance.

If the Shareholders' Meeting does not approve the Remuneration Policy, the Company will be required to pay remuneration in accordance with the most recent Remuneration Policy approved by the Shareholders' Meeting or, failing that, in accordance with current practice. At the next Shareholders' Meeting to approve the financial statements, the Company shall submit a new Remuneration Policy to the Shareholders' Meeting for a vote.

Temporary deviation from the Remuneration Policy approved by the Shareholders' Meeting is permitted only in exceptional circumstances, i.e. when the deviation from the Remuneration Policy is necessary for the pursuit of the long-term interests and sustainability

¹Shareholders' votes are required upon amendments to the Remuneration Policy that are not merely formal or editorial clarifications.

of the Company as a whole, or to ensure its ability to stay in the market. On this point, see paragraph 6 below.

1.4 Management Control Committee

The Management Control Committee expresses its opinion on proposals for the remuneration of executive directors and, more generally, of directors holding special positions, verifying the consistency of the proposals with the Remuneration Policy.

2. Illustration of the objectives and general guidelines of the Remuneration Policy and description of policies regarding fixed and variable remuneration components

The Remuneration Policy is set by taking into account the remuneration and working conditions of its employees. In particular, the Remuneration Policy sets out the tools and approaches, applied to the entire corporate population, that are designed to attract, motivate and retain people with the professional qualities necessary to contribute to growth strategy and the strengthening of the long-term interests and sustainability of the Company, in line with the best market practices. With specific attention for the remuneration of executive Directors, it is felt that the type of jobs held and that the Company expects of these subjects, together with the intrinsic characteristic of unexchangeability, means they cannot be compared with the jobs of other Group employees.

The Company's Remuneration Policy and, in particular, the policy on variable components of remuneration, contributes to the Company's strategy and to the pursuit of its long-term interests and sustainability. This contribution is made through a greater and more aware involvement of shareholders who are called upon to express their binding vote on the Remuneration Policy, which describes each of the items that make up the remuneration of Directors and other key executives. Moreover, the remuneration of directors, general managers and key executives, where identified, is defined in such a way as to ensure an overall remuneration structure capable of recognising the professional value of the persons involved and to allow for an adequate balance of fixed and variable components with the aim of creating sustainable value in the medium and long term and of ensuring a direct link between remuneration and specific performance objectives.

In particular, the guidelines inspiring the Remuneration Policy are based on the following criteria:

- (i) the fixed component and variable component take into account the strategic objectives and associated business risks taken by the Company;
- (ii) the variable component has an upper limit;
- (iii) the fixed component is sufficient to remunerate the services of the person concerned should the variable component not be paid due to failure in achieving the assigned objectives;
- (iv) the *performance* objectives are:
 - priority, i.e. directly related to the medium to long term strategy of the Company;
 - specific, i.e. clear and concrete in terms of expected results;
 - measurable, i.e. assessed with clear and predefined indicators;

- realistic, i.e. deemed achievable although challenging and ambitious;
- defined over time, i.e. referred to a specific time dimension.

The Shareholders' Meeting resolves on the total amount of remuneration due to the Board of Directors. The remuneration of directors with special positions is set by the Board of Directors, on the proposal of the Remuneration Committee and following the opinion of the Management Control Committee. Any increases or changes to the remuneration of directors assigned special positions, where not established by the Remuneration Policy, are approved by the Board of Directors, at a proposal from the Remuneration Committee and with the prior opinion of the Committee for Related Party Transactions, having consulted the Management Control Committee.

The variable component will be paid only on achieving the expected result. The amount of the incentive to be paid to each person involved is determined based on the achievement of results effectively pursued. In this regard, it is worth mentioning that, at this point, the Company believes that it is unnecessary to introduce “clawback” clauses for the variable component of the compensation, since it believes that the Company's interest is protected in any case by the applicable provisions in the event of violations of laws or regulations.

In the event that the Company carries out particularly exceptional and strategically important transactions in terms of the impact on Company results, the Board of Directors, at the proposal of the Remuneration Committee, has the power to allocate, at its discretion, specific *bonuses* to executive directors and key managers, without prejudice to the procedure on transactions with related parties set out in the RPT Procedure, where applicable.

The Company may provide incentive and loyalty plans based on shares or other financial instruments, aimed at directors, employees and co-workers, including key managers, pursuant to Article 114-*bis* of the Consolidated Law on Finance, without prejudice to the procedure on transactions with related parties set out in the RPT Procedure, where applicable.

There are no deferred remuneration payment systems.

As incentive plans based on financial instruments were not in place at the date of this Report, there are no clauses for keeping the financial instruments in the portfolio after their acquisition.

The Remuneration Policy does not foresee stipulation with directors and key managers of agreements that regulate *a priori* the payment of indemnities and/or the assignment or other benefits (monetary and non-monetary) in the event of termination of office or relating to the possible early termination of the relationship by the Company or the person concerned. If it becomes necessary to sign such agreements, the safeguards relating to transactions with related parties set out in the RPT Procedure (where applicable) will apply and the Remuneration Committee must be consulted. In defining the Remuneration Policy, the Company has not used remuneration policies implemented by other companies as a reference, and has not sought the cooperation of independent experts.

3. Remuneration of directors

Within the Board of Directors it is possible to distinguish between:

- (i) Non-executive directors: Directors.
- (ii) Executive directors:
 - the Executive Chairman Matteo Colaninno;
 - the CEO Michele Colaninno;

Non-executive directors

All non-executive directors are paid a fixed annual remuneration, as approved by the Shareholders' Meeting.

Directors called on to take part in the Control and Risks Committee and the Remuneration Committee, both composed of independent Directors in compliance with the Corporate Governance Code, are paid an additional fixed remuneration considering the greater commitment required. The Board of Directors may award any additional fixed remuneration to members of board committees established in accordance with applicable *pro tempore* regulations or the recommendations of the CG Code, always taking into account the greater commitment required to perform these functions.

No specific remuneration is paid to independent directors, except for those who are requested to participate in the above-mentioned committees and for members of the Management Control Committee (see Section 5 below). Independent Directors do not receive variable compensation and are not recipients of compensation plans based on financial instruments.

In addition, expenses incurred by directors for performance of their duties are reimbursed by the Company.

Non-executive directors benefit from “Directors and Officers” insurance coverage for liability concerning acts committed in the exercise of their functions, except in cases of malice and gross negligence.

The Remuneration Policy does not provide for the payment of non-monetary benefits to Executive Directors.

Executive directors

The remuneration of executive directors is composed as follows:

- i) a fixed annual component, determined to a significant extent, consistent with the position and commitment required and, in any case, such as to be sufficient to remunerate services rendered should the variable component not be paid due to failure in achieving the objectives of *referred to below*;
- ii) a variable component related to the objectives identified by the Strategic Plans and annual budget approved by the Company an, in line with the objective of creating value for shareholders over the medium to long term and with a correct risk management policy. The amount of the variable component, which in any case has a maximum limit (up to a maximum of 30% of the amount set for fixed compensation), is determined and paid annually by the Board of Directors with reference to objectives and results at individual and/or consolidated Group level, identified by the Board of Directors, on the proposal of the Committee and following the opinion of the Management Control Committee, in relation to the annual budget or the results of the previous year, chosen

from EBITDA, for a quota not exceeding 50%, the net financial position for a quota not exceeding 40% and sustainability for 10%. The amount of the incentive to be paid to each person involved is determined on the basis of the number of objectives and results pursued, as well as the degree of their achievement, all as verified by the Board of Directors, after consulting the Committee; For the purposes of the payment of the variable component, there is in fact a minimum number of targets to be exceeded, as well as a calculation system that takes into account the negative deviation from the assigned targets and results within the limit of 10% of the benchmark.

The variable is therefore paid on an annual basis with reference to long-medium term objectives defined in the three-year Strategic Plan and the annual budget.

On the basis of the current structure of delegated powers, the payment of the variable component of remuneration is envisaged for the Executive Chairman and the Chief Executive Officer, under the same terms and conditions as regards performance targets and the incidence of the variable component with respect to fixed annual remuneration.

The variable component for all the aforementioned beneficiaries may therefore reach a maximum of 30% of the amount established for fixed remuneration overall (including all remuneration for special positions pursuant to Article 2389, paragraph 3, of the Italian Civil Code).

Executive directors benefit from “Directors and Officers” insurance coverage for liability concerning acts committed in the exercise of their functions, except in cases of malice and gross negligence.

The Remuneration Policy does not provide for the payment of fringe benefits to Executive Directors.

Considering the structure of the remuneration of executive directors (and the role they hold), the Company decided it was not – currently – necessary to introduce the so-called “*claw back*” clauses of the variable component of remuneration, assessing that the Company interests are protected by provisions applicable in a breach or the law or regulations.

4. Remuneration of general managers and key managers

The remuneration of key managers (where identified) is determined in accordance with the general principles set out in paragraph 2., and comprises:

- (i) a fixed annual component, determined to a significant extent, consistent with the position and commitment required and, in any case, such as to be sufficient to remunerate services rendered should the variable component not be paid due to failure in achieving the objectives of *referred to below*;
- (ii) a variable annual component payable on achievement of predetermined corporate objectives (so-called MBO), linked to expected results based on the Strategic Plan approved by the Company. The variable component is equal to a predetermined percentage of the gross fixed annual remuneration, generally at least 50 % of the latter;

- (iii) fringe benefits such as allocation of Company vehicles, housing contributions and membership of pension and insurance plans that reflect normal pension and social security protection, as provided by the applicable National Collective Employment Contract. The Remuneration Policy does not provide for the payment of other fringe benefits.

Key managers (where identified) are reimbursed for expenses incurred for the performance of their duties and benefit from “Directors and Officers” insurance coverage for liability concerning acts committed in the exercise of their functions, except in cases of malice and gross negligence, in addition to the general protection provided by the applicable National Collective Employment Contract.

At the date of this Report, no key managers have been identified within the Issuer's organisation chart.

5. Remuneration of the members of the control body

When appointing the Board of Directors, the Ordinary Shareholders' Meeting establishes specific additional remuneration 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 addition, expenses incurred by members of the Management Control Committee for the performance of their duties are reimbursed by the Company.

The same persons may be granted additional remuneration as members of the Supervisory Board or of board committees.

6. Elements of the Remuneration Policy which may be waived in exceptional circumstances.

In exceptional circumstances the Company may waive the elements of the Remuneration Policy as described below.

It should be noted that "exceptional circumstances" are those situations in which a departure from the Remuneration Policy is necessary in order to pursue the long-term interests and sustainability of the Company as a whole or to ensure its ability to stay in the market, such as but not limited to:

(i) the occurrence, at a national or international level, of extraordinary and unforeseeable events concerning the Company and/or the sectors and/or markets in which it operates, which significantly affect the Company's results, including the occurrence of significant negative effects not of a solely economic or financial nature, such as those resulting from the Covid-19 health emergency;

(ii) substantial changes in the organisation of the company's business, both of an objective nature (such as extraordinary transactions, mergers, disposals, etc.), and of a subjective nature, such as changes in the top management structure and the possible identification of individuals (other than members of the management and supervisory boards) who qualify as key executives relevant for the purposes of this Policy;

(iii) significant changes in the scope of the company's activity during the term of the Policy, such as the sale of a company/business unit on whose activity the performance objectives of the Policy were based, or the acquisition of a significant business not considered when preparing the Policy.

In any case, it is understood that any exceptions to the Policy will be subject to the prior examination of the Committee and to the application of the rules of the RPT Procedure.

Notwithstanding the above, the waiver may concern: (i) the modulation of the performance objectives to which variable remuneration is linked and the frequency with which they are set; (ii) a review of the criteria used to assess the objectives; (iii) a change in the ratio between fixed and variable components of remuneration; (iv) the award of one-off monetary bonuses; (v) the payment of special indemnities, in order to take into account the above-mentioned exceptional circumstances and only to the extent that this is conducive to the pursuit of the above-mentioned interests.

SECTION II

This section contains the individual remuneration for directors, statutory auditors and general managers and in aggregate form for key managers:

- in the first paragraph, (i) it provides an adequate, clear and understandable representation of each of the items that make up the remuneration, including benefits in the event of termination of office or termination of employment (if any), highlighting their compliance with the Company's remuneration policy approved in the previous year and the ways in which remuneration contributes to the Company's long-term results; (ii) it illustrates how the Company took into account the vote cast the previous year by the Shareholders' Meeting on Section Two of the Remuneration Report;
- in the second paragraph, it explains in detail the remuneration paid in the reporting year (i.e. 2023, hereinafter the "**Reporting Year**") for whatever reason and in whatever form by the Company and by its subsidiaries or associates, highlighting any components of said remuneration related to activities carried out in previous years and also remuneration payable in one or more subsequent periods for activity carried out in the reporting period, possibly indicating an estimated value for components not objectively quantifiable in the reporting year;
- in the third paragraph, it indicates, with the criteria laid down in Attachment 3A, Schedule 7-ter of the Consob Regulation on Issuers, investments held, in the Issuer and its subsidiaries, by members of the Controlling Bodies, by the general manager and by other key managers (where identified), as well as their not-legally-separated spouses and children (minors), directly or through subsidiaries, trust companies, or through an intermediary, according to the Shareholders' Register, communications received and other information acquired from the members of Controlling Bodies themselves, from the general manager and from key managers (where identified).

Please note that the independent auditing firm, Deloitte & Touche S.p.A., checked – in compliance with Article 123-ter, paragraph 8-bis, of the TUF – preparation by the Piaggio Board of Directors of this Section of the Remuneration Report.

1. Remuneration for members of the Board of Directors and Statutory Auditors, to general managers and key managers

The Shareholders' Meeting of 14 April 2021 set the gross annual remuneration for each member of the Board of Directors at Euro 40,000 for the entire term of office and until otherwise resolved by the Shareholders' Meeting, excluding from this amount the remuneration of directors holding special offices *pursuant* to Article 2389, paragraph 3, of the Italian Civil Code and remuneration for any special assignments.

For the Financial Year, this remuneration is recognised *pro rata* to the Director Carlo Zanetti, having been co-opted by the Board of Directors on 1 September 2023 pursuant to Article 2386 of the Italian Civil Code.

Directors called on to take part in the Control and Risks Committee and in the Remuneration Committee are paid, as resolved on by the Board of Directors of 15 April 2021, an additional fee of €10,000, considering the greater commitment required. The Chairman of the Control and Risks Committee is paid € 20,000.

The remuneration of the Chairman and Chief Executive Officer **Roberto Colaninno**, as mentioned, who passed away on 18 August 2023, was decided by the Board of Directors' meeting of 15 April 2021, after following the opinion of the Board of Statutory Auditors and upon the proposal of the Remuneration Committee.

The remuneration of the latter - to be paid *pro rata temporis* with reference to the Financial Year until relative termination - in accordance with the provisions of the Remuneration Policy, consists of a gross annual fixed component of Euro 1,250,000 (in addition to Euro 40,000 gross per annum for the position of Director) and a variable component. The amount of the variable component payable (which can reach up to a maximum of 30% of the amount established for the fixed remuneration) is determined by the Board of Directors, at the proposal of the Remuneration Committee.

For the Financial Year, the Remuneration Committee, which met to formulate its proposal to be submitted to the Board of Directors, set at €141,781.00, equal to 18% of the fixed component, the variable component of the remuneration due *pro rata temporis* to the late Chairman and Chief Executive Officer Roberto Colaninno for the Financial Year, considering that his term of office ended on 18 August 2023. This variable component was confirmed by resolution of the Board of Directors of 4 March 2024.

The aforementioned percentage of the fixed component of variable remuneration was determined by taking into account the results at consolidated Group level, i.e.: EBITDA increased by approximately 9% compared to the end of the Financial Year 2022 and the sustainability target related to the adoption during the year of the Piaggio Group's 2024-2030 decarbonisation plan, including the related sustainability targets and objectives, some of which were already achieved in 2023 and set out in the 2023 Non-Financial Statement.

The fixed and variable components represent 85.21% and 14.79%, respectively, of the total remuneration, calculated as the percentage of the sum of fixed and variable remuneration, respectively, in relation to the total remuneration.

Following the death of Roberto Colaninno, on 1 September 2023 the Board of Directors appointed Matteo Colaninno and Michele Colaninno, respectively, as Executive Chairman and Chief Executive Officer of the Company, and in relation to these appointments resolved,

upon the proposal of the Remuneration Committee and with the prior opinion of the Committee for Related Party Transactions, as well as following the opinion of the Board of Statutory Auditors, to pay them remuneration pursuant to Article 2389, paragraph 3, of the Italian Civil Code and 18.2 of the Articles of Association. In particular, the remuneration paid to the Executive Chairman and to the Chief Executive Officer - *pro-rata temporis* until the term of office of the board of directors set with the Shareholders' Meeting called to approve the financial statements for the year 2023 - consists of a fixed component (equal to Euro 700,000.00 per year gross for the Executive Chairman and Euro 1,000,000.00 per year gross for the Chief Executive Officer) and a variable component, taking into account the provisions of the remuneration policy contained in Section I of the "Report on Remuneration Policy and Remuneration Paid" approved by the Shareholders' Meeting held on 18 April 2023, with particular reference to the criteria for determining the variable remuneration for the Executive Directors confirmed and referred to therein.

Also in light of the foregoing, the remuneration paid to Matteo Colaninno and Michele Colaninno during the Year is indicated below.

As for the current **Executive Chairman Matteo Colaninno**, in addition to Euro 40,000 gross per year for his position as Director:

- (i) he was granted - by virtue of his previous position as Executive Deputy Chairman held until 31 August 2023 and therefore *pro rata temporis* - an additional sum equal to Euro 266,666.67 (with the gross annual sum for this position, approved by the Board of Directors on 15 April 2021, following the opinion of the Board of Statutory Auditors and upon the proposal of the Remuneration Committee, equal to Euro 100,000) and, by virtue of the powers in the field of institutional relations at national and international level granted to him on 28 October 2022, a further sum *pro rata temporis* equal to Euro 200,000.00 (with the gross annual sum for such powers, approved by the Board of Directors on 28 October 2022 upon the proposal of the Remuneration Committee and with the prior opinion of the Committee for Related Party Transactions and following the opinion of the Board of Statutory Auditors, equal to Euro 300,000.00); in addition
- (ii) taking into account the remuneration approved on 1 September 2023 by the Board of Directors - upon the proposal of the Remuneration Committee and with the prior opinion of the Committee for Related Party Transactions, following the opinion of the Board of Statutory Auditors - in relation to the current position of Executive Chairman of the Company, Matteo Colaninno also received remuneration of Euro 233,333.33 (*pro rata temporis* as from 1 September 2023, with the gross annual sum equal to Euro 700,000.00),

therefore, for a total gross amount of Euro 540,000.00 paid during the Financial Year *pro rata temporis* .

The same Executive Chairman, in line with the Remuneration Policy approved by the Shareholders' Meeting of 18 April 2023, the Board of Directors' meeting held on 4 March 2024, having heard the opinion of the Board of Statutory Auditors and upon the proposal of the Remuneration Committee, was also assigned a variable component of remuneration for a total of Euro 90,049.00 gross, equal to 18% of the fixed remuneration *pro rata temporis* mentioned above, excluding the remuneration for the position of Director (equal to Euro 40,000).

The fixed and variable components represent 85.71% and 14.29%, respectively, of the total remuneration, calculated as the percentage of the sum of fixed and variable remuneration, respectively, in relation to the total remuneration.

With regard to the current **Chief Executive Officer, Michele Colaninno**, it should be noted that, in addition to Euro 40,000 gross per annum for his position as Director:

- (iii) he was paid - due to the previous position of Managing Director held until 31 August 2023 and therefore *pro rata temporis* - additional remuneration equal to €333,333.33 (being the gross annual sum for such powers, as increased by the Board of Directors on 2 March 2022 upon the proposal of the Remuneration Committee and with the prior opinion of the Committee for Related Party Transactions and after consulting the Board of Statutory Auditors, equal to Euro 500,000, of which Euro 200,000 per year in respect of powers to operate within the Group's activities and Euro 300,000 per year in respect of powers received within the scope of product and marketing strategies); in addition
- (iv) taking into account the remuneration approved on 1 September 2023 by the Board of Directors - upon the proposal of the Remuneration Committee and with the prior opinion of the Committee for Related Party Transactions, following the opinion of the Board of Statutory Auditors - in relation to the current position of Chief Executive Officer of the Company, Michele Colaninno also received remuneration of Euro 333,333.33(*pro rata temporis* as from 1 September 2023, with the gross annual sum equal to Euro 1,000,000.00),

for a total gross amount of Euro 706,666.66 paid during the Financial Year *pro rata temporis*

The same Chief Executive Officer, in line with the Remuneration Policy approved by the Shareholders' Meeting of 18 April 2023, the Board of Directors' meeting held on 4 March 2024, having heard the opinion of the Board of Statutory Auditors and upon the proposal of the Remuneration Committee, was also assigned a variable component of remuneration for a total of Euro 120,082.00 gross, equal to 18% of the fixed remuneration *pro rata temporis* mentioned above, excluding the remuneration for the position of Director (equal to Euro 40,000).

The fixed and variable components represent 85.48% and 14.52%, respectively, of the total remuneration, calculated as the percentage of the sum of fixed and variable remuneration, respectively, in relation to the total remuneration.

The variable remuneration components paid to the Executive Chairman and the Chief Executive Officer as above took into account the same objectives considered for the variable remuneration of the late Chairman and Chief Executive Officer Roberto Colaninno (see *above*).

Please note that at the date of this Remuneration Report, the Board of Directors has not identified the key managers.

No agreements have been stipulated with the directors that regulate economic aspects (indemnities and/or other benefits) *ex ante* in the event of termination of office or with regard to any form of termination of the employment relationship at the initiative of the Company or the interested party.

There are no agreements assigning or maintaining non-monetary benefits for persons who have ceased to hold office or to enter into consultancy contracts for a period after the termination of the relationship.

There are no agreements providing for compensation for non-competition commitments.

There are no *ex post* correction mechanisms for the variable remuneration component.

On 14 April 2021, the Company's Ordinary Shareholders' Meeting resolved to set the remuneration for Statutory Auditors at € 40,000 gross per year for each statutory auditor, and € 75,000 gross per year for the Chairman of the Board of Statutory Auditors. The statutory auditor Giovanni Barbara, as member of the Supervisory Board, receives further annual remuneration of Euro 25,000.

The following is comparative information, for the financial years 2022 and 2023, of the annual change in:

- (i) the total remuneration of each of the individuals for whom the information in this Section of the Report is provided by name;
- (ii) the Company's results;
- (iii) average gross annual remuneration, computed on the basis of full-time employees, of employees other than those whose remuneration is shown by name in this section of the Report.

	2021	2022	2023
<u>Total remuneration of persons for whom information is provided by name</u>			
Roberto Colaninno	Euro 1,665,000	Euro 1,665,000	Euro 958,426.7
Matteo Colaninno	Euro 140,000	Euro 192,000	Euros 630,049.00
Michele Colaninno	Euro 440,000	Euro 690,000	Euro 826,748.66
Federica Savasi	Euro 40,000	Euro 40,000	Euro 40,000
Andrea Formica	Euro 50,000	Euro 50,000	Euro 50,000
Rita Ciccone	Euro 60,000	Euro 60,000	Euro 60,000
Graziano Gianmichele Visentin	Euro 70,000	Euro 70,000	Euro 70,000
Micaela Vescia	Euro 50,000	Euro 50,000	Euro 50,000
Patrizia Albano	Euro 40,000	Euro 40,000	Euro 40,000
Carlo Zanetti			Euro 13,369.86
Piera Vitali	Euro 75,000	Euro 75,000	Euro 75,000
Giovanni Barbara	Euro 65,000	Euro 65,000	Euro 65,000
Massimo Giaconia	Euro 40,000	Euro 40,000	Euro 40,000
<u>Company results</u>			

NFP	---- Euro 476,987	---- Euro 473,011	---- Euro 490,193
<u>Average gross annual remuneration of full-time employees other than persons whose remuneration is shown by name</u>			
Average remuneration for full-time employees	Euro 37,622	Euro 38,234	Euro 39,848

* * *

For the sake of completeness, it should be noted that the remuneration paid during the Financial Year is consistent, in its amount and in the items that comprise it, with the Remuneration Policy defined by the Company and approved by the Shareholders' Meeting most recently on 18 April 2023. The aforesaid Shareholders' Meeting also expressed a favourable opinion on Section II of the Report, with a non-binding resolution approved by a majority of 67.19% of the votes cast by the participating shareholders, therefore, the Company believes that it has adequately represented the items that make up the remuneration of the relevant persons indicated in this Section II in compliance with applicable regulations.

2. Details of remuneration paid in the Reporting Year

Fixed remuneration: are shown separately, possibly in a footnote and on an accrual basis: (i) remuneration approved by the Shareholders meeting for the period, even if not paid; (ii) attendance fees; (iii) lump-sum expense reimbursement; (iv) remuneration received for performing special duties, pursuant to Article 2389, paragraph 3 of the Italian Civil Code (for example, Chairman, Deputy Chairman); (v) fixed remuneration from employment gross of tax and social security charges borne by the employee, excluding mandatory collective insurance social security charges borne by the Company and the termination benefit provision. The other components of remuneration from employment (bonuses, other remuneration, fringe benefits, etc.) are indicated in the corresponding columns, specifying in the notes the part paid for the office of director and that for employment.

Remuneration for participation in committees this is indicated on an accrual basis and may be indicated at an aggregate level. An indication is provided in the notes of the committees to which the director belongs and, in the event of participation in several committees, the remuneration received for each.

Bonuses and other incentives: remuneration accrued (*vested*), even if not yet paid, during the year for targets achieved in the same year, based on monetary incentive plans, is included. The amount is shown on an accruals basis even if the approval of the financial statements has not yet taken place and including the part of the bonus that may be deferred. Under no circumstances are *stock-options* assigned or exercised or other remuneration in financial instruments included.

Profit sharing the amount accruing is indicated, even if approval of the financial statements and distribution of profits have not yet taken place.

Fringe benefits the value of *fringe benefits* (according to a criterion of tax liability), including any insurance policies and supplementary retirement funds, is indicated

Other remuneration any additional remuneration arising from other services provided is shown separately on an accrual basis. Information on any loans, advance payments and guarantees granted by the Company or its subsidiaries to Executive Directors and to the Chairman of the Board, in the case in which, taking into account the particular conditions (other than those of the market or applicable in a standardised form to categories of persons), they represent a form of indirect remuneration, is included in the notes.

Fair Value of equity remuneration: the *fair value* at the grant date of remuneration accruing in the year for incentive plans based on financial instruments, estimated according to international accounting standards, is indicated².

Termination of office or employment indemnity the indemnity accrued, even if not yet paid, in favour of Directors for termination of office during the reporting year, with reference to the financial year in which termination of office actually took place, are indicated. The estimated value of any fringe benefits, the amount of any consulting contracts and indemnity related to any non-competition clauses is also indicated. The amount of the indemnity related to non-competition clauses is indicated only once when the office is terminated, specifying in the first part of the second section of the report the duration of the non-competition clause and the actual payment date.

Note that the table below includes all the those who held office as a member of the governance and control bodies or as a Senior Manager or Key Manager at any time over the year, including for only a fraction of the year.

Table 1 - Remuneration paid to members of the Board of Directors, general managers and key managers.

² This item does not refer to the entire allocation of *equity* remuneration made during the year, but only to the part recognised in the financial statements, in accordance with the accounting standards that require the vesting period of the rights themselves, spreading the related cost over said period, to be taken into account.

Full name	Position	Period in which the office was held	Expiry of office	Fixed remuneration	Remuneration for participation in committees	Non-equity variable remuneration		Non-monetary benefits	Other fees	Total	Fair Value of equity remuneration	Termination of office or employment indemnity
Roberto Colaninno	Chairman/CEO	01/01/23 - 18/08/23	Approval of 2023 Financial Statements	816.645,70*		Bonuses and other incentives	Share of profits			958,426.7		
(I) Remuneration in the reporting company										958,426.7		
(*inclusive of Euro 40,000.00 <i>pro rata temporis</i> for the position of Director)				816,645.70		141,781.00						
(II) Remuneration from subsidiaries and associates												
(III) Total				816.645,70						958.426,7		
Matteo Colaninno	Deputy Chairman	01/01/23 - 31/08/23	Approval of 2023 Financial Statements	266.666,67		Bonuses and other incentives	Share of profits			630.049,00		
	Executive Chairman	01/09/23 - 31/12/23	Approval of 2023 Financial Statements	233.333,33								
(I) Remuneration in the reporting company				540.000,00*						630.049,00		
(*inclusive of Euro 40,000.00 for the position of Director)												

						90.049,00							
(II) Remuneration from subsidiaries and associates													
(III) Total				540.000,00							630.049,00		
Michele Colaninno	Director with powers	01/01/22 - 31/12/22	Approval of 2023 Financial Statements	333.333,33									
						Bonuses and other incentives	Share of profits						
	Chief Executive Officer	01/09/23 - 31/12/23	Approval of 2023 Financial Statements	333.333,33									
(I) Remuneration in the company preparing accounts				706.666,66*			120.082,00					826.748,66	
(*inclusive of Euro 40,000.00 for the position of Director)													
(II) Remuneration from subsidiaries and associates													
(III) Total				706.666,66								826.748,66	
Federica Savasi	Director	01/01/23 - 31/12/23	Approval of 2023 Financial Statements	40,000								40,000	
						Bonuses and other incentives	Share of profits						
(I) Remuneration in the company preparing accounts				40,000								40,000	
(II) Remuneration from subsidiaries and associates													
(III) Total				40,000								40,000	
Andrea Formica	Director	01/01/23 - 31/12/23	Approval of 2023 Financial Statements	40,000	10,000 (Member RC)							50,000	
						Bonuses and other incentives	Share of profits						
(I) Remuneration in the company preparing accounts				40,000	10,000							50,000	
(II) Remuneration from subsidiaries and associates													
(III) Total				40,000	10,000							50,000	
Rita Ciccone	Director	01/01/23 - 31/12/23	Approval of 2023 Financial Statements	40,000	10,000 (Chairman RC)							60,000	
						Bonuses and other incentives	Share of profits						

Carlo Zanetti	Director	01/09/23 - 31/12/23	Approval of the 2023 Financial Statements_	13.369,86					13.369,86		
						Bonuses and other incentives	Share of profits				
(I) Remuneration in the company preparing accounts				13.369,86					13.369,86		
(II) Remuneration from subsidiaries and associates											
(III) Total				13.369,86					13.369,86		

Table 2 – Remuneration paid to members of the Board of Statutory Auditors.

Full name	Position	Period in which the office was held	Expiry of office	Fixed remuneration	Remuneration for participation in committees	Non-equity variable remuneration		Non-monetary benefits	Other fees	Total	Fair Value of equity remuneration	Termination of office or employment indemnity
						Bonuses and other incentives	Share of profits					
Piera Vitali	Chairman	01/01/2023-31/12/2023	Approval of 2023 Financial Statements	75,000						75,000		
						Bonuses and other incentives	Share of profits					
(I) Remuneration in the company preparing accounts				75,000						75,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				75,000						75,000		
Giovanni Barbara	Statutory Auditor	01/01/2023-31/12/2023	Approval of 2023 Financial Statements	40,000	25,000 (Member of the Supervisory Board)					65,000		
						Bonuses and other incentives	Share of profits					
(I) Remuneration in the company preparing accounts				40,000	25,000					65,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				40,000	25,000					65,000		
Massimo Giaconia	Statutory Auditor	01/01/2023-31/12/2023	Approval of 2023 Financial Statements	40,000						40,000		
						Bonuses and other incentives	Share of profits					
(I) Remuneration in the company preparing accounts				40,000						40,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				40,000						40,000		
Gianmarco Losi	Alternate Auditor		Approval of 2023 Financial Statements	-						-		
						Bonuses and other incentives	Share of profits					
(I) Remuneration in the company preparing accounts				-						-		
(II) Remuneration from subsidiaries and associates												
(III) Total				-						-		
Fabrizio Piercarlo Bonelli	Alternate Auditor		Approval of 2023 Financial Statements	-						-		
						Bonuses and other incentives	Share of profits					
(I) Remuneration in the company preparing accounts				-						-		

(II) Remuneration from subsidiaries and associates									
(III) Total	-						-		

Table 3B. Monetary bonus for members of the board of directors, general managers and other key executives.

Below is the disclosure with particular reference to monetary *bonuses* paid to members of the Board of Directors, as provided for in Schedule 7-bis of Attachment 3A to the Consob Regulation on Issuers no. 11971/99.

"Column 2A" shows the *bonus* for the year accrued for the objectives achieved during the year and paid or payable because it is not subject to further conditions (upfront compensation).

"Column 2B" shows the *bonus* linked to objectives to be achieved during the year but which cannot be paid out because it is subject to additional conditions (deferred *bonus*).

"Column 3A" shows the sum of *bonuses* deferred in previous years still to be paid at the beginning of the financial year and no longer payable due to failure to meet the conditions to which they are subject.

"Column 3B" shows the sum of *bonuses* deferred in previous years still to be paid at the beginning of the year and paid out during the year or payable.

"Column 3C" shows the sum of *bonuses* deferred in previous years still to be paid at the beginning of the year and further deferred.

The sum of the amounts indicated in columns 3A, 3B and 3C corresponds to the sum of the amounts indicated in columns 2B and 3C for the previous financial year. The column "Other Bonuses" shows *bonuses* for the year not explicitly included in specific plans defined in advance.

(A) Full name	(B) Position	(1) Stock Option Plan	(2) Bonus 2023			(3) Bonuses from previous years			(4) Other bonuses
			(A) Payable/Paid	(B) Deferred	(C) Deferral period	(A) No longer payable	(B) Payable/Paid	(C) Further deferred	
Roberto Colaninno	Chairman and Chief Executive Officer of Piaggio & C. S.p.A. (in office until 18 August 2023)								
(I) Remuneration in the company preparing accounts	Piaggio & C. S.p.A. BoD Resolution 04/03/2024		141.781,00				375,000		
(II) Remuneration from subsidiaries and associates									
Matteo Colaninno									
(I) Remuneration in the company preparing accounts	Piaggio & C. S.p.A. BoD Resolution 04/03/2024		90.049,00						
(II) Remuneration from subsidiaries and associates									
Michele Colaninno	Chief Executive Officer						150,000		

(I) Remuneration in the company preparing accounts	Piaggio & C. S.p.A. BoD Resolution 04/03/2024	120.082,00						
(II) Remuneration from subsidiaries and associates								
(III) Total		351.912,00				525,000		

3. Investments of members of the administrative and control bodies, general managers and key managers (Scheme no. 7)-ter of Annex 3A to the Consob Regulation on Issuers)

The members of the administrative and control bodies do not hold investments in the Company or in its subsidiaries.

FULL NAME	POSITION	INVESTE COMPANY	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS YEAR - 2022	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS YEAR - 2023
Roberto Colaninno	Chairman and Chief Executive Officer in office until 18 August 2023	Piaggio & C. S.p.A.	0	250,000	0	250,000

It should be noted that, subsequent to the close of the 2023 financial year, the aforementioned 250,000 shares of the Company were inherited by the legal heirs of the late Roberto Colaninno, Matteo Colaninno (Executive Chairman) and Michele Colaninno (Chief Executive Officer), in equal amounts. Consequently, as of the date of this Report, the Executive Chairman Matteo Colaninno held 125,000 shares and the Chief Executive Officer Michele Colaninno held an equal number of 125,000 shares.