



Piaggio & C. S.p.A.

Explanatory Memorandum

Financial Statements of Piaggio & C S.p.A. as of 31 December 2018; presentation of Consolidated Financial Statements of the Piaggio Group as of 31 December 2018; Directors' Report on Operations for 2018 and proposal for the allocation of operating profits; Board of Statutory Auditors Report; Independent Auditors' Report; related and consequent resolutions.

Dear Shareholders,

the Board of Directors of your Company has convened the ordinary Shareholders' Meeting for the approval of the draft of the financial statements for Piaggio & C. S.p.A. as at 31 December 2018.

The financial statements as at 31 December 2018 closed with a profit of Euro 35,578,436.60; we refer to the Report on Operations prepared by the Board of Directors and available for the Shareholders.

Therefore, we propose to allocate the profit as follows:

- Euro 1,778,921.83 as legal reserve;
- Euro 31,043,040.54 as reserve for equity-accounted investees;
- Euro 2,756,474.23 to the Shareholders as a dividend.

Furthermore, taking into account the amount of the available reserves arising from the Company's financial statements, equal to Euro 30,507,168.73 (net of development costs – pursuant to article 2426, no. 5, of the Italian Civil Code – and the purchase of treasury shares), and taking also into account the Group development perspectives, we hereby propose to distribute a dividend equal to Euro 0.090, gross of taxes, per ordinary share having the right to it, for a total amount of Euro 32,155,184.34 allocated as follows: (i) Euro 29,398,710.11 of the retained earnings reserve; and (ii) Euro 2,756,474.23 of the net residual profit of 2018 following the allocations to the legal reserve and to the reserve for equity-accounted investees.

The Board of Directors will also report on the consolidated financial statements as at 31 December 2018 and on the consolidated non-financial statement as at 31 December 2018.

Therefore, we hereby submit the following resolution proposal for your approval:

"The Ordinary General Shareholders Meeting of Piaggio & C. S.p.A.,

- *having heard and approved the statements of the Board of Directors;*
- *and in acknowledgement of the Report of the Board of Statutory Auditors, the Report of the Auditing Company, the Consolidated Financial Statements as at 31 December 2018 and the Consolidated non-financial Statement as at 31 December 2018,*

resolves

1. *to approve the Report of the Board of Directors, the Financial Statements as of 31 December 2018 and the Consolidated Financial Statement as of 31 December 2018 in all their parts and findings;*
2. *to approve the following allocation of the profits:*
 - *Euro 1,778,921.83 as legal reserve;*
 - *Euro 31,043,040.54 as reserve for equity-accounted investees;*

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- *Euro 2,756,474.23 to the Shareholders as a dividend.*
- 3. *to distribute a dividend of Euro 0.090, gross of taxes, per ordinary share having the right to it for a total amount of Euro 32,155,184.34 allocated as follows: (i) Euro 2,756,474.23 of the net residual profit following the allocations to the legal reserve and to the reserve for equity-accounted investees; and (ii) Euro 29,398,710.11 of the "Retained Earnings" reserve;*
- 3. *to schedule 23rd April 2019 as ex-dividend date (coupon No. 12), 24th April 2019 as dividend record date and 25th April 2019 as the date from which the dividend is payable".*

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The documentation required pursuant to Article 154-*ter* of the Italian Legislative Decree no. 58/1998 will be made publicly available at least twenty one days prior to the date of the Shareholders' Meeting on first call.

Mantova, February 25, 2019

For the Board of Directors
Chairman and Chief Executive Officer
(Roberto Colaninno)