



Piaggio & C. S.p.A.

Explanatory Memorandum

Amendment of Articles 5, 7, 8, 12 and 27 of the Articles of Association. Related and consequent resolutions.

Dear Shareholders,

you have been called to an Extraordinary Shareholders' Meeting to examine and approve the proposal to amend Articles 5, 7, 8, 12 and 27 of the Articles of Association of Piaggio & C. S.p.A. (hereinafter "**Piaggio**" or also the "**Company**"), as illustrated below.

Amendment of Article 5 of the Articles of Association

It is proposed to delete paragraph 4 of Article 5 of Piaggio's Articles of Association as shown in the table below, as it relates to a resolution to increase the share capital for which the subscription period has expired, without changes to the other clauses contained in Article 5 of the same Articles of Association.

Current text	Proposed text
Article 5	Article 5
<p style="text-align: center;"><i>[intentionally omitted]</i></p> <p>5.4 The Extraordinary Shareholders' Meeting of 16 April 2010 passed a resolution approving a divisible share capital increase by payment in cash, by 30 October 2015, for a maximum nominal amount of €2,891,410.20 (two million, eight hundred and ninety-one thousand, four hundred and ten euros and twenty eurocents), in addition to a share premium of €6,673,309.80 (six million, six hundred and seventy-three thousand, three hundred and nine euros and eighty eurocents), excluding the option right pursuant to Article 2441, paragraph 5 and 8, of the Italian Civil Code and Article 134 of Legislative Decree No. 58/1998, by issuing a maximum of 5,220,000 no. (five million, two hundred and twenty thousand) ordinary shares of Piaggio & C. S.p.A. without nominal value, having the same features as the ones already in circulation, with dividend rights, solely for the beneficiaries of the "Stock Option Plan 2007-2009" – concerning the free assignment of option rights reserved for the top management of the Company and the Italian and foreign</p>	<p style="text-align: center;"><i>[intentionally omitted]</i></p> <p>5.4 The Extraordinary Shareholders' Meeting of 16 April 2010 passed a resolution approving a divisible share capital increase by payment in cash, by 30 October 2015, for a maximum nominal amount of €2,891,410.20 (two million, eight hundred and ninety one thousand, four hundred and ten euros and twenty eurocents), in addition to a share premium of €6,673,309.80 (six million, six hundred and seventy three thousand, three hundred and nine euros and eighty eurocents), excluding the option right pursuant to Article 2441, paragraph 5 and 8, of the Italian Civil Code and Article 134 of the Consolidated Finance Act, by issuing a maximum of 5,220,000 no. (five million, two hundred and twenty thousand) ordinary shares of Piaggio & C. S.p.A. without nominal value, having the same features as the ones already in circulation, with dividend rights, solely for the beneficiaries of the "Stock Option Plan 2007-2009" – concerning the free assignment of option rights reserved for the top management of the Company and the Italian and foreign subsidiaries (approved by the Ordinary Shareholders' Meeting of the</p>

subsidiaries (approved by the Ordinary Shareholders' Meeting of the Company held on 7 May 2007 and subsequently amended by the Ordinary Shareholders' Meeting of the Company held on 16 April 2010) (the "Plan") – who are employees of the Company or of Italian and foreign subsidiaries of the Company.	Company held on 7 May 2007 and subsequently amended by the Ordinary Shareholders' Meeting of the Company held on 16 April 2010) (the "Plan") who are employees of the Company or of Italian and foreign subsidiaries of the Company.
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Amendment of Article 7 of the Articles of Association

It is proposed to amend Article 7.1 of Piaggio's Articles of Association as shown in the table below, in order to provide for a further national daily newspaper for the publication of the extract from the meeting call for the Company's Shareholders' Meeting, without prejudice to the remaining clauses contained in Article 7 of the same Articles of Association.

Current text	Proposed text
Article 7	Article 7
7.1 Ordinary and Extraordinary Shareholders' Meetings are convened, within the time period prescribed by current legal regulations, by notice published in the web site of the Company and, should the legal regulations in force from time to time require, in the Official Gazette of the Italian Republic or in the daily newspaper "Il Sole 24 Ore" stating the date, time and venue of the first call and any subsequent calls, as well as the items of the agenda, subject to compliance with any other legal requirements and to these Articles of Association.	7.1 Ordinary and Extraordinary Shareholders' Meetings are convened, within the time period prescribed by current legal regulations, by notice published in the web site of the Company and, should the legal regulations in force from time to time require, in the Official Gazette of the Italian Republic or in the daily newspaper "Il Sole 24 Ore" or in the daily newspaper "Corriere della Sera" stating the date, time and venue of the first call and any subsequent calls, as well as the items of the agenda, subject to compliance with any other legal requirements and to these Articles of Association.
<i>[intentionally omitted]</i>	<i>[intentionally omitted]</i>

Amendment of Article 8 of the Articles of Association

It is proposed to amend Article 8 of Piaggio's Articles of Association by introducing a new paragraph 4 as shown in the table below, in order to provide that the Company is not required to designate a person to whom shareholders may grant a proxy for representation at the Shareholders' Meeting pursuant to Article 135-*undecies* of Legislative Decree 58/1998.

Current text	Proposed text
Article 8	Article 8
8.1 Each ordinary share is entitled to one vote.	<i>Unchanged</i>
8.2 The legitimate attendance of Shareholders' Meeting and the exercise of voting rights is confirmed by a statement of the Company from the enabled intermediary, in compliance with the applicable law provisions, on the basis of intermediary accounting balances recorded at the end of the seventh trading day prior to the date of the Shareholders' Meeting on first call and received by the Company within the terms stated by legal regulations. To this end, reference is made to the date of the first call, as long as the dates of any subsequent calls are indicated in the only meeting call; otherwise, reference is made the date of each meeting call.	<i>Unchanged</i>
8.3 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 web site.	<i>Unchanged</i>
	8.4 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 Legislative Decree 58/1998.

Amendment of Article 12 of the Articles of Association

It is proposed to amend paragraph 3 of Article 12 of Piaggio's Articles of Association as shown in the table below, in order to clarify that each list may contain a number of candidates up to the maximum number of members of the Board provided for in the Articles of Association, without changes to the other clauses contained in Article 12 of the Articles of Association.

Current text	Proposed text
Article 12	Article 12
<p style="text-align: center;"><i>[intentionally omitted]</i></p> <p>12.3. The Directors are appointed by the ordinary shareholders' meeting, in accordance with the 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.</p> <p>Each Shareholder, and the Shareholders taking part to a Shareholders' Agreement pursuant to Article 122 of Legislative Decree No. 58/1998, as well as the controlling entity, the subsidiaries and joint ventures pursuant to Article 93 of Legislative Decree No. 58/1998, cannot present or take part in, even by proxy or through a trust company, more than one list, nor can they vote for different lists. The endorsements and votes cast in breach of such prohibition shall not be assigned to any list.</p> <p>Shareholders are entitled to present lists only if, alone or with other Shareholders, they represent at least 2.5% (two point five per cent) of the share capital, or a different percentage that may be set by the law or other regulations. The lists submitted by Shareholders must be filed 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 twenty days before the date set for the meeting in first call, and this to be mentioned in the meeting call. Ownership of the shareholding required, pursuant to the foregoing, for the purposes of submission of the list 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)</p>	<p style="text-align: center;"><i>[intentionally omitted]</i></p> <p>12.3. The Directors are appointed by the Ordinary Shareholders' Meeting, in accordance with the 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.</p> <p>Each Shareholder, and the Shareholders taking part to a Shareholders' Agreement pursuant to Article 122 of Legislative Decree No. 58/1998, as well as the controlling entity, the subsidiaries and joint ventures pursuant to Article 93 of Legislative Decree No. 58/1998, cannot present or take part in, even by proxy or through a trust company, more than one list, nor can they vote for different lists. The endorsements and votes cast in breach of such prohibition shall not be assigned to any list.</p> <p>Shareholders are entitled to present lists only if, alone or with other Shareholders, they represent at least 2.5% (two point five per cent) of the share capital, or a different percentage that may be set by the law or other regulations. The lists submitted by Shareholders must be filed 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 twenty days before the date set for the meeting in first call, and this to be mentioned in the meeting call. Ownership of the shareholding required, pursuant to the foregoing, for the purposes of submission of the list 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)</p>

<p>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; and (iii) the declarations made by each candidate whereby they accept their candidacy and attest, under their responsibility, that there are no grounds for ineligibility and incompatibility, as well as that they possess the requisites prescribed by the law and the Articles of Association for their respective positions, and that they are fit to qualify as independent Directors. The list that fails to comply with the aforesaid legal provisions shall be deemed as not having been presented.</p> <p>The lists shall also be subject to other types of advertisement provided for by currently applicable law and other regulations.</p> <p>Each candidate may be included in one list only on pain of ineligibility. No candidates may be included in the lists who (without prejudice to any other ground of ineligibility or forfeiture of right) do not possess the requisites prescribed by legal regulations, the Articles of Association or other provisions applicable to their respective positions. Each list must include a number of candidates equal to the maximum number of the members making up the Board of Directors indicated at the first paragraph of this Article and, among these, at least one candidate must possess the independence requisites set forth at the second paragraph of this Article.</p> <p>Lists with a number of candidates greater than or equal to three shall be composed of candidates from both genders, in such a way that at least one fifth (on the occasion of the first term after 12 August 2012) and thereafter one third (in any case rounded up) of candidates belong to the less represented gender.</p> <p>Each person entitled to vote may vote for one list only.</p> <p>The procedure for appointing Directors is as follows:</p> <p>a) all the Directors but one are selected from the list that obtained the highest number of the</p>	<p>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; and (iii) the declarations made by each candidate whereby they accept their candidacy and attest, under their responsibility, that there are no grounds for ineligibility and incompatibility, as well as that they possess the requisites prescribed by the law and the Articles of Association for their respective positions, and that they are fit to qualify as independent Directors. The list that fails to comply with the aforesaid legal provisions shall be deemed as not having been presented.</p> <p>The lists shall also be subject to other types of advertisement provided for by currently applicable law and other regulations.</p> <p>Each candidate may be included in one list only on pain of ineligibility. No candidates may be included in the lists who (without prejudice to any other ground of ineligibility or forfeiture of right) do not possess the requisites prescribed by legal regulations, the Articles of Association or other provisions applicable to their respective positions. Each list may contain a number of candidates up to the maximum number of the members making up the Board of Directors indicated at the first paragraph of this Article and, among these, at least one candidate must possess the independence requisites set forth at the second paragraph of this Article.</p> <p>Lists with a number of candidates greater than or equal to three shall be composed of candidates from both genders, in such a way that at least one fifth (on the occasion of the first term after 12 August 2012) and thereafter one third (in any case rounded up) of candidates belong to the less represented gender.</p> <p>Each person entitled to vote may vote for one list only.</p> <p>The procedure for appointing Directors is as follows:</p> <p>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</p>
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<p>votes in the sequential order in which they appear;</p> <p>b) the other Director is selected from the minority list that is in no way connected, even indirectly, with the subjects who presented or voted the list at point a) and which obtained the highest number of the votes; the selected person will be the first candidate on the list out of all the candidates set out in sequential order.</p> <p>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).</p> <p>If, by following the procedures indicated above, an insufficient number of Directors is appointed with the necessary independence requisites set forth in the second paragraph of this Article and equal to the minimum number set by the law in relation to the overall number of Directors, the last non-independent Director appointed in sequential order from the list that obtained the highest number of votes, as per point a) above, will be replaced by the independent candidate appearing in sequential order on the same list, or, failing this, by the first independent candidate in sequential order that was not appointed from the other lists, based on the number of votes obtained by each list. This replacement procedure will continue until the Board of Directors has a number of members with the independence requisites prescribed by Article 148, paragraph 3 of Legislative Decree No. 58/1998 equal to the minimum number prescribed by legal regulations. If the aforesaid 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 possessing the aforesaid requisites.</p> <p>If, in addition, with the candidates elected in the manner described above, a composition of the Board of Directors compliant with legislation in force at any time concerning the</p>	<p>appear;</p> <p>b) the other Director is selected from the minority list that is in no way connected, even indirectly, with the subjects who presented or voted the list at point a) and which obtained the highest number of the votes; the selected person will be the first candidate on the list out of all the candidates set out in sequential order.</p> <p>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).</p> <p>If, by following the procedures indicated above, an insufficient number of Directors is appointed with the necessary independence requisites set forth in the second paragraph of this Article and equal to the minimum number set by the law in relation to the overall number of Directors, the last non-independent Director appointed in sequential order from the list that obtained the highest number of votes, as per point a) above, will be replaced by the independent candidate appearing in sequential order on the same list, or, failing this, by the first independent candidate in sequential order that was not appointed from the other lists, based on the number of votes obtained by each list. This replacement procedure will continue until the Board of Directors has a number of members with the independence requisites prescribed by Article 148, paragraph 3 of Legislative Decree No. 58/1998 equal to the minimum number prescribed by legal regulations. If the aforesaid 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 possessing the aforesaid requisites.</p> <p>If, in addition, with the candidates elected in the manner described above, a composition of the Board of Directors compliant with legislation in force at any time concerning the balance between genders is not ensured, the</p>
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<p>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 shall be repeated until a composition of the Board of Directors compliant with legislation in force at any 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.</p> <p><i>[intentionally omitted]</i></p>	<p>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 shall be repeated until a composition of the Board of Directors compliant with legislation in force at any 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.</p> <p><i>[intentionally omitted]</i></p>
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Amendment of Article 27 of the Articles of Association

It is proposed to amend Article 27 of Piaggio's Articles of Association by introducing a new paragraph 2 as shown in the table below, in order to provide for the possibility for the Company's Board of Directors to approve the payment of interim dividends, in compliance with the applicable legislation, including regulations, in force *at the time*, without changes to the other clauses contained in Article 27 of the Articles of Association.

Current text	Proposed text
Article 27	Article 27
<p>27.1 The net profit reported in the financial statements, after deducting the mandatory maximum amount allocated to legal reserves, is appropriated by reference to the resolution passed by the Shareholders' Meeting. More specifically, the Shareholders' Meeting, upon recommendation by the Board of Directors, may resolve to set up and increase other reserves.</p>	<p><i>Unchanged</i></p>
	<p>27.2 During the year and when it deems it appropriate, the Board of Directors may resolve to pay interim dividends for the year, in compliance with applicable</p>

	legislation and regulations, <i>pro tempore</i> in force.
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It should be noted that the proposals for resolutions that are the subject of this Memorandum do not give rise to the right of withdrawal pursuant to the law.

In view of the above, the following proposal is submitted to the Shareholders' Meeting for approval:

“The Extraordinary Shareholders' Meeting of Piaggio & C. S.p.A., having examined and approved the Explanatory Memorandum of the Board of Directors,

resolves

- a) *to amend Articles 5, 7, 8, 12 and 27 of the Articles of Association as illustrated in the Explanatory Memorandum of the Board of Directors and in the following text, thus adopting the text of the Articles of Association attached to these minutes:*

Article 5

5.1 The share capital is equal to 207,613,944.37 (two hundred and seven million, six hundred and thirteen thousand, nine hundred and forty-four euros and thirty-seven eurocents) divided into 358,153,644 (three hundred and fifty-eight million, one hundred and fifty-eight thousand, six hundred and forty-four) ordinary shares with no par value and may be increased also by payments in kind and receivables.

5.2 The Company may purchase funds with obligation to repay Shareholders in accordance with applicable legal regulations.

5.3 By resolution of the Shareholders' Meeting the share capital may be increased by issuing new shares also with rights different from those of the shares that have already been issued. The resolution to increase the share capital, passed with the majorities prescribed by Articles No. 2368 and 2369 of the Italian Civil Code, may exclude the option right within the limit of 10% of the pre-existing share capital, provided that the issue price is equal to the market value of the shares and this is confirmed by an ad hoc report issued by a statutory auditor or an independent audit company engaged to perform the Company audit.

Article 7

7.1 Ordinary and Extraordinary Shareholders' Meetings are convened, within the time period prescribed by current legal regulations, by notice published on the website of the Company and, should the legal regulations in force from time to time require, in the Official Gazette of the Italian Republic or in the daily newspaper "Il Sole 24 Ore" or in the daily newspaper "Corriere della Sera" stating the date, time and venue of the first

call and any subsequent calls , as well as the items of the agenda, subject to compliance with any other legal requirement and to these Articles of Association.

7.2 The agenda of the Shareholders' Meeting is set by those who have the right to convene a meeting by law and the Articles of Association or, if the meeting is convened upon request by the Shareholders, on the basis of the items indicated in the request filed by the Shareholders in question. If the meeting is convened by the Shareholders pursuant to legal requirements, the agenda is integrated within the dates and according to the terms set by applicable legal regulations.

Article 8

8.1 Each ordinary share is entitled to one vote.

8.2 The legitimate attendance of Shareholders' Meeting and the exercise of voting rights is confirmed by a statement of the Company from the enabled intermediary, in compliance with the applicable law provisions, on the basis of intermediary accounting balances recorded at the end of the seventh trading day prior to the date of the Shareholders' Meeting on first call and received by the Company within the terms stated by legal regulations. To this end, reference is made to the date of the first call, as long as the dates of any subsequent calls are indicated in the only meeting call; otherwise, reference is made the date of each meeting call.

8.3 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 web site.

8.4 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 Legislative Decree 58/1998.

Article 12

12.1 The Company is managed by a Board of Directors consisting of not fewer than 7 (seven) and not more than 15 (fifteen) members. When appointing the members of the Board of Directors, the Ordinary Shareholders' Meeting establishes their number within the aforesaid limits and their term of office which must not exceed three financial years; conversely their term of office shall expire on the date of the Shareholders' Meeting convened to approve the financial statements of the last accounting period of their term of office. Board directors may be re-elected.

12.2 Directors must possess the requisites envisaged by current legal requirements, the Articles of Association and other applicable regulations.

Individuals cannot be appointed as Directors of the Company and, if they are appointed such appointment is void, unless they have gained at least three years' experience in:

a) administration and control activities or managerial tasks for companies limited by shares with a share capital in excess of €2 million (two million euros); or

b) professional activities or as university professor with permanent title teaching legal, economic, financial and technical-scientific subjects closely related to the Company's activity; or

c) managerial functions with public entities or local government offices operating in the credit, financial and insurance sector or, in any case, in sectors closely related to the one of the Company's activity.

The Directors must possess the requisites prescribed by currently applicable legal regulations; a minimum number of Directors equal to the minimum prescribed by legal regulations must possess the independence requisites set out in Article 148, paragraph 3, of Legislative Decree No. 58/1998.

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.

12.3. The Directors are appointed by the Ordinary Shareholders' Meeting, in accordance with the 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, and the Shareholders taking part to a Shareholders' Agreement pursuant to Article 122 of Legislative Decree No. 58/1998, as well as the controlling entity, the subsidiaries and joint ventures pursuant to Article 93 of Legislative Decree No. 58/1998, cannot present or take part in, even by proxy or through a trust company, more than one list, nor can they vote for different lists. The endorsements and votes cast in breach of such prohibition shall not be assigned to any list.

Shareholders are entitled to present lists only if, alone or with other Shareholders, they represent at least 2.5% (two point five per cent) of the share capital, or a different percentage that may be set by the law or other regulations. The lists submitted by Shareholders must be filed 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 twenty days before the date set for the meeting in first call, and this to be mentioned in the meeting call. Ownership of the shareholding required, pursuant to the foregoing, for the purposes of submission of the list 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; and (iii) the declarations made by each candidate whereby they accept

their candidacy and attest, under their responsibility, that there are no grounds for ineligibility and incompatibility, as well as that they possess the requisites prescribed by the law and the Articles of Association for their respective positions, and that they are fit to qualify as independent Directors. The list that fails to comply with the aforesaid legal provisions shall be deemed as not having been presented.

The lists shall also be subject to other types of advertisement provided for by currently applicable law and other regulations.

Each candidate may be included in one list only on pain of ineligibility. No candidates may be included in the lists who (without prejudice to any other ground of ineligibility or forfeiture of right) do not possess the requisites prescribed by legal regulations, the Articles of Association or other provisions applicable to their respective positions. Each list may contain a number of candidates up to the maximum number of the members making up the Board of Directors indicated in the first paragraph of this Article and, among these, at least one candidate must possess the independence requisites set forth in the second paragraph of this Article.

Lists with a number of candidates greater than or equal to three shall be composed of candidates from both genders, in such a way that at least one fifth (on the occasion of the first term after 12 August 2012) and thereafter one third (in any case rounded up) of candidates belong to the less represented gender.

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

The procedure for appointing Directors 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 other Director is selected from the minority list that is in no way connected, even indirectly, with the subjects who presented or voted the list at point a) and which obtained the highest number of the votes; the selected person will be the first candidate on the list out of all the candidates set out in sequential order.

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, by following the procedures indicated above, an insufficient number of Directors is appointed with the necessary independence requisites set forth in the second paragraph of this Article and equal to the minimum number set by the law in relation to the overall number of Directors, the last non-independent Director appointed in sequential order from the list that obtained the highest number of votes, as per point a) above, will be replaced by the independent candidate appearing in sequential order on the same list, or, failing this, by the first independent candidate in sequential order that was not appointed from the other lists, based on the number of votes obtained by each list. This replacement procedure will continue until the Board of Directors has a number of members with the

independence requisites prescribed by Article 148, paragraph 3 of Legislative Decree No. 58/1998 equal to the minimum number prescribed by legal regulations. If the aforesaid 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 possessing the aforesaid requisites.

If, in addition, with the candidates elected in the manner described above, a composition of the Board of Directors compliant with legislation in force at any time 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 shall be repeated until a composition of the Board of Directors compliant with legislation in force at any 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.

Article 27

27.1 The net profit reported in the financial statements, after deducting the mandatory maximum amount allocated to legal reserves, is appropriated by reference to the resolution passed by the Shareholders' Meeting. More specifically, the Shareholders' Meeting, upon recommendation by the Board of Directors, may resolve to set up and increase other reserves.

27.2 During the year and when it deems it appropriate, the Board of Directors may resolve to pay interim dividends for the year, in compliance with applicable legislation and regulations, pro tempore in force.

- b) *to grant the Board of Directors, and on its behalf its Chairman and Managing Director, the broadest powers, without exclusions or exceptions, to implement the above resolution in accordance with the law, as well as introducing any amendments or additions (which do not alter the substance of the resolution itself) that may be appropriate or required for registration in the Companies Register and, in general, to provide for any fulfilment necessary for this purpose."*

Milan, 7 May 2019

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