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Piaggio & C. S.P.A.

Explanatory Memorandum

**Appointment of the Board of Statutory Auditors and its Chairman; determination of fees.
Related and consequent resolutions.**

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Dear Shareholders,

With the approval of the financial statements as at 31 December 2014, the term of office of Board of Statutory Auditors of your company, appointed by the ordinary Shareholders' Meeting of 13 April 2012, will expire; It is therefore necessary to appoint of a new controlling body and its Chairman, in accordance with the applicable legislative and corporate provisions.

In this regard, you are reminded that, pursuant to article 24.1 of the Articles of Association, the Board of Statutory Auditors comprises three standing and two alternate Statutory Auditors, who remain in office for three years, and are removed from office on the date of the Shareholders' Meeting convened to approve the Financial Statements relative to the last financial year of their term office. Statutory Auditors may be re-elected.

The Statutory Auditors must possess the requisites prescribed by law, the Articles of Association and other applicable legal provisions concerning also the limit to the number of positions held. Pursuant to Article 1, paragraph 3, of Ministerial Decree No. 162 issued by the Ministry of Justice on 30 March 2000, subjects (legal, economic, financial and technical-scientific) and sectors of activity shall be considered as being closely related to the business carried out by the Company if they are connected with or relate to the Company's activity and its business purpose.

Pursuant to art. 24.2 of the Articles of Association, the Board of Statutory Auditors is appointed, in accordance with the *pro tempore* rules in force at any time concerning the balance between genders, based on the lists submitted by Shareholders in which candidates are listed with a sequential number. The list is made up of two sections: one for the candidates to be appointed as Statutory auditors, the other one for the candidates to be appointed as Alternate auditors.

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 for Statutory Auditor and 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 for Alternate Auditor belong to the less represented gender.

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

We also remind you that Shareholders submitting a "minority list" should consult the recommendations issued by Consob with communication no. DEM/9017893 of 26 February 2009.

Shareholders are entitled to present lists only if, alone or with other Shareholders, they hold shares with voting rights representing at least 2.5% of the share capital with voting rights at the Ordinary Shareholders' Meeting, or a different percentage that may be fixed by the law or other regulations. It is pointed out that, with resolution no. 19109 of 28 January 2015, Consob set the relative share capital ownership threshold required to submit lists for election of the Board of Statutory Auditors of the Company at 2.5%.

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The lists submitted by Shareholders must be filed at the registered office, in Pontedera (PI), Viale Rinaldo Piaggio 25, at least twenty five days before the date set for the Shareholders' Meeting in first call, i.e. by 19th March 2015 at 18:00. Filing of lists for appointment of the Board of Statutory Auditors may also be made by sending a fax to 0587.21.90.25 or to the certified e-mail address piaggiogroup.corporate.governance@legalmail.it, pursuant to art. 144-*sexies*, paragraph 4-*ter* of Consob Regulation no. 11971 of 14 May 1999. In the case of submission of lists by fax/certified e-mail, a certified copy of a valid identity document of the submitters must also be sent.

The lists must be presented along with:

- a) information concerning the identity of the Shareholders' who presented the lists indicating the overall shareholding percentage held;
- b) a declaration by Shareholders other than those holding, also jointly, a controlling or relative majority stake, attesting that there are no relationships with the latter as set out by law or other applicable regulations;
- c) comprehensive information on the personal characteristics of the candidates, as well as a declaration issued by the same candidates attesting, under their own responsibility, that (i) there are no grounds of ineligibility and incompatibility, (ii) they possess the requisites prescribed by the law and (iii) they accept their candidacy, and lastly the list of management and control positions held in other companies.

Ownership of the overall shareholding held by Shareholders submitting the list is attested by sending to the Company, on the part of the intermediary qualified to keep the accounts of the communication provided for by art. 23 of the Regulation concerning centrally managed services, payment, guarantee systems and the related management companies adopted by the Bank of Italy and Consob on 22 February 2008, as subsequently amended, also after having filed the list, provided that this takes place at least twenty one days before the date set for the Shareholders' Meeting in first call, i.e. by 23rd March 2015. Please note that ownership of the shareholding is determined having regard to the shares that are recorded in the name of the Shareholder on the date on which the lists are filed with the Company.

Lists that fail to comply with the aforesaid legal provisions shall be deemed as not having been submitted.

The lists shall also be subject to other types of advertisement provided for by *pro tempore* applicable law and other regulations. In particular, at least twenty one days before the date of the Shareholders' Meeting (i.e. 23rd March 2015) the lists will be made available to the public at the registered office, on the Company's website and via other forms required by Consob by regulation.

If, at the deadline for presenting lists, only one list or only lists presented by Shareholders with whom significant connections exist pursuant to *pro tempore* laws and regulations in force have been filed, lists may be presented in the three days following this date (i.e. by 23rd March 2015 at 12:00 being the third day after 19th March 2015 a non working-day); in that case the minimum threshold to submit the lists is reduced by half (i.e. 1.25% of the share capital).

Each candidate may be included in one list only under penalty of ineligibility.

No candidates may be included in the lists who (without prejudice to any other ground of

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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 person entitled to vote may vote for one list only.

The procedure for appointing the Statutory Auditors is as follows:

- a) two Standing auditors and one Alternate auditor are selected from the list which obtained the highest number of votes at the Shareholders' Meeting based on the sequential order in which they appear in the sections of the list;
- b) one Standing auditor and the other Alternate auditor are selected from the second list which obtained the highest number of votes at the Shareholders' Meeting and which, pursuant to the law and other applicable regulations, is not connected, even indirectly, with the subjects who presented or voted the list which obtained the highest number of votes, based on the sequential order in which they appear in the sections of the list.

If there is a tie among two or more slates, the Statutory Auditors appointed will be those most senior in age.

The Chairman of the Board of Statutory Auditors shall be the Standing Auditor selected from the second list that obtained the highest number of votes pursuant to point b) above.

If with the procedures described above, a composition of the Board of Statutory Auditors, in terms of its statutory members, compliant with *pro tempore* legislation in force at any time concerning the balance between genders is not ensured, the necessary replacements shall be made, within the scope of candidates for the office of Statutory Auditor of the list which obtained the greatest number of votes, according to the sequential order in which the candidates are listed.

The previous provisions regarding the appointment of Statutory Auditors do not apply to Shareholders' Meetings in respect of which only one list is presented or voted; in such cases the Shareholders' Meeting resolves by relative majority, without prejudice to compliance with *pro tempore* legislation in force at any time concerning the balance between genders.

Finally, we remind you that the ordinary Shareholders' Meeting will also be required to decide the remuneration for the members of the controlling body.

Mantua, 27 February 2015

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