

SUMMARY

Code of Ethics

General internal control principles

Conduct guidelines

CODE OF ETHICS

Article 1 – Code of Ethics

Piaggio & C. S.p.A. (the “Company” or “Piaggio”) bases its activities, both internal and external, on compliance with the principles contained in this Code of Ethics (the “Code of Ethics”), in the belief that the ethics of its business management must be pursued in conjunction with success in business.

Article 2 – Objectives and values

The primary goal of the company is to create value for its customers, shareholders and employees, respecting the environment and working conditions. The Company’s industrial and financial strategies, and its resulting operative conduct, aiming at efficiency in the use of resources, are targeted to this goal.

Pursuing this objective, the Company abides by the following general guidelines in its conduct:

- as an active and responsible component of the communities in which it operates, the Company commits itself to the respect, both in its internal affairs and external relationships, of the laws in force in the States where it operates, as well as of those ethical principles which are commonly accepted in business management (transparency, fairness, loyalty and good faith) and to act in compliance with the rules for the protection of competition;
- the Company rejects and condemns any recourse to unlawful or unfair conduct (towards the community, Public Authorities, clients, workers, investors and competitors) aimed at reaching its own economic objectives, which are reached exclusively through the excellence of its performance in terms of quality and convenience of its products and services, on the basis of its professionalism, experience, innovation and attention to its clients;
- the Company enforces its organisational strategies aimed at preventing any violation of the principles of lawfulness, transparency, correctness and loyalty, good faith and competition rules among its workers and partners and ensures that such strategies are respected and updated;
- ensures, through the adoption of appropriate tools, including organisational tools, compliance with the absolute prohibition of any practice of corruption, request for and/or provision of preferential treatment, of any collusive behaviour, solicitation, whether direct/indirect and/or through third parties, of personal benefits of any kind for oneself or for others, of material benefits and/or any other advantage of any entity in favour of third parties, whether they be private or public entities or government representatives, both Italian and foreign;
- the Company guarantees full transparency as regards its actions to all investors and the community in general, in the respect of the principles of competition;
- it undertakes to promote fair competition, functional to the interests of the Company, and to the interests of all market operators, customers and investors in general;
- it pursues excellence and competitiveness on the market, offering its customers quality services, that efficiently meet their needs;
- the Company protects and empowers its human resources;

- it promotes activities and processes as environmentally compatible as possible through the use of advanced policies and technologies in the field of environmental protection, energy efficiency and sustainable use of resources;
- it pursues environmental protection standards through the implementation of adequate management and monitoring systems;
- the Company makes a responsible use of its resources, aiming at sustainable development, in the respect of the environment and the rights of future generations.

Article 3 – Shareholders

The Company guarantees equal treatment for all shareholders, avoiding any preferential dealing.

Article 4 – Clients

The Company aims at reaching excellency in the products and services that it offers, taking its clients' needs into account, and undertakes to do its utmost to meet their demands. Its objective is to guarantee a prompt, qualified and competent response as regards the needs of its clients, behaving in a correct, courteous and cooperating manner.

Article 5 – Community

The Company intends to contribute to the economic welfare and growth of the communities in which it operates, through its activity, both in selling its products and in providing efficient and technologically advanced services. In accordance with such objectives, and considering its responsibility towards shareholders and investors, the Company views research and development as primary conditions for growth and success.

The Company relates to local, national and international authorities with full and active cooperation and transparency, in observance of the laws in force, the mutual autonomies, the economic objectives and the values which are contained in this Code of Ethics.

The Company appreciates and may support social, cultural and educational initiatives aimed at promoting the individual and improving the quality of his/her lifestyle.

The Company does not give out contributions, profits or other benefits either to political parties, workers' trade unions or their representatives or candidates, in obedience to the applicable regulations.

Article 6 – Human Resources

The Company acknowledges the primary role of human resources, in the conviction that the main factor of success of any enterprise consists in the professional contribution of the people working there, in the context of mutual trust and respect.

The Company protects health and safety in the workplace, in carrying out its economic activity, it believes that the respect of the workers' rights is fundamental. The management of working relations is aimed at guaranteeing equal opportunities and at promoting everyone's professional growth.

Article 7 – Conflict of interest

Within the trustworthy relationship with the Company, the employees and external partners must use the resources of the Company and their working capabilities in the Company's interest, pursuant to the principles of the Code of Ethics.

In this respect, all employees and partners must avoid situations in which their personal and/or familiar interests may influence their professional conduct, abstaining from any activity which could set a personal interest against the Company's interest or which could interfere with and encumber the decisions to be adopted in the Company's interest.

Any situation of conflict of interest, even indirect or potential, must be promptly reported to one's superior and to the (“ **Supervisory Body**” or “**SB**”) envisaged by the Organisation, Management and Control Model (“**Organisational Model**”) of the Company and, in any case, the party concerned must refrain from intervening in the related operational/decision process.

Article 8 – Environment

The Company is convinced that global growth must be sustainable in the common interest of all shareholders, both present and future. Investments and industrial and commercial initiatives are therefore aimed at respecting the environment and public health.

Without prejudice to compliance with the specific applicable regulation, the Company pays attention to environmental issues in its decisions, also adopting - where operationally and economically feasible and compatible - environmentally friendly production technologies and methods, with the aim of reducing the environmental impact of its activities.

Article 9 – Health and Safety at work

The Company undertakes to guarantee a safe, healthy and productive working environment for the employees, even by a safety culture, an awareness of the risks and by improving responsible conducts to be held by all employees.

All employees and external partners are liable towards the colleagues and the Company for the maintaining high quality standards of the working environment.

The employees should prevent and limit all the situations which may interfere with the working environment. Pursuant to the values of the Code of Ethics, the Company must guarantee the safety and the health of its employees and of the social communities.

All the decisions having a direct or indirect impact to the health and safety of the working environment must be adopted in compliance with the following principles:

- a) avoid risks;
- b) value the avoidable risks;
- c) remove the risks originally;
- d) adjust the work to the human being and, in particular, as concerns the concept of the working place, the choice of the facilities and the working and producing methods in order to limit the monotony and the repetitiveness of the work and also in order to reduce the effects of these works on the health;
- e) take into account the technology progress;
- f) replace what is dangerous with what is less or no dangerous;
- g) plan the prevention, the working organization, the working conditions, the social relationships and the influence of the working environment;
- h) give the priority to the collective safety compared to the individual one;
- i) train the employees suitably.

The above mentioned principles are used by the Company in order to adopt all the necessary measures for guaranteeing employees’ health and safety, included the prevention of professional risks, the information and training activities, as well as an adequate organization and the necessary instruments.

Article 10 – Industrial and intellectual property and copyright

The Company undertakes to guarantee the protection of its trademarks, patents and industrial design rights as well as to avoid the use of ideas, models and other forms of intellectual property of third parties not recognised by the law.

Therefore, the Company does not permit the use, under any circumstances and for whatever reason, of products with counterfeit trademarks and signs as well as the manufacture, marketing or any activity relating to products already patented by third parties or works covered by copyright and with regard to which it has no rights.

Article 11 – Anti-Money Laundering

The Company endeavours to prevent the use of its economic and financial system for the purpose of money laundering and financing terrorism by its customers and suppliers, verifying with utmost diligence the respectability of its commercial partners prior to establishing business relationships with the same.

Article 12 – Corporate information

The Company is firmly convinced of the importance of correct information as regards its own activities for the market, its investors and for the community in general.

Respecting the need for confidentiality, which is required for the management of its activity, the Company's objective in its relationship with all investors is transparency. In particular, the Company conveys this objective to the market and its investors through its respect of criteria of correctness, clarity and equal access to information.

Article 13 – Compliance with the Code of Ethics

The present Code of Ethics must be respected by the Company boards, management and employers, as well as all external partners, such as consultants, agents, suppliers, etc.

The Company is committed to maintaining, updating and if necessary supplementing procedures, regulations or instructions aimed at guaranteeing that the conduct of its Company bodies, executives, employees and partners respects the values herein, providing for appropriate sanctions in case of violations.

2. GENERAL INTERNAL CONTROL PRINCIPLES

The Internal Control System is a set of "tools" designed to provide reasonable assurance on the achievement of objectives of operational efficiency and effectiveness, reliability of financial and management information, compliance with laws and regulations, as well as the safeguarding of assets against possible fraud.

The Internal Control System consists of general principles which are applied to all the various organisational levels however denominated (in the following reference will be made to the term *operating unit*).

This Organisation, Management and Control Model is supplemented by the internal regulations concerning business processes and issued by the various Organisational Units.

The Piaggio Group regulatory framework consists of: Manuals or Policies, Management Procedures, Operating Procedures and Work Instructions.

These documents are issued by the various organisational areas and in particular constitute the Organisational System, the Quality Management System, the Safety Management System and the Environment Management System.

2.1 Scope of control

Powers of representation must be conferred defining their limits in relation to the normal extent of inherent transactions and according to operating areas strictly related to assigned duties and the organisational structure.

Responsibilities must be defined and duly distributed, avoiding functional overlapping or operational allocations which focus critical activities on a single subject:

- No significant transaction of the *operating unit* can be originated/activated without adequate authorisation.

Operating systems¹ must be consistent with Company policies and the Code of Ethics:

- In particular, financial information must be prepared:
 - a) in compliance with laws and regulations, applicable accounting standards and international best practice;
 - b) in accordance with established administrative procedures;
 - c) as part of a complete and updated chart of accounts.

2.2 Risk assessment

The objectives of the *operating unit* must be adequately defined and communicated to all relevant levels, in order to clarify and share the general approach of the same.

Risks associated with the achievement of objectives must be identified, periodically providing for adequate monitoring and updating:

- negative events, potentially capable of threatening business continuity as well as protection of the environment, must be subject to specific risk assessment and alignment of protection and control systems;
- innovation processes concerning products/services, organisations and systems must provide for adequate implementation risk assessment.

2.3 Control activities

Operational processes must be defined providing for adequate documentary or system support to allow constant traceability in terms of consistency, coherency and responsibility:

- operational processes must constantly ensure Company compliance with applicable laws, rules and, in general, regulations in force in Italy and in all countries in which it operates, as well as with internal procedures and provisions adopted;

¹ Procedures, organisation, processes, information systems, etc.

- operational decisions must be traceable in terms of characteristics and justification and those having authorised, executed and verified individual activities must be identifiable;
- the exchange of information between contiguous phases/processes must provide for mechanisms (reconciliations, balancing, etc.) to ensure integrity and completeness of the data managed;
- human resources must be selected, recruited and managed in a transparent manner and in accordance with ethical values and Company defined objectives;
- know-how and skills available in the *operating unit* in terms of consistency with assigned objectives must be periodically verified;
- personnel must be educated and trained to perform the assigned duties;
- acquisition of goods and services for Company operations must take place according to a requirements analysis and from adequately selected and controlled sources;
- working conditions and environment must be periodically verified in order to ensure the safety and health of workers;
- the certified environmental management system must be constantly monitored in order to comply with the requirements of environmental legislation.

2.4 Information and Communication

An adequate system of indicators by process/activity must be provided for as well as relative periodic information flows to management.

Administrative and management Information Systems must be geared towards integration and standardisation.

Security mechanisms must ensure adequate protection/access to data and assets of the *operating unit*

2.5 Control

The control system is subject to supervision on an ongoing basis for periodic assessments and constant alignment.

CONDUCT GUIDELINES

This document is an integral part of the Organisation and Management Model ("Model") adopted by Piaggio & C. S.p.A. (the "Company") pursuant to Legislative Decree 231/2001 and contains the rules of conduct that all Recipients (including Third Parties, see para. 1.4) are required to adopt in order to ensure that their conduct is inspired by principles of fairness, loyalty, transparency and collaboration and to avoid actions that constitute crimes and administrative offences (particularly those referred to in the decree) being put in place.

These Guidelines identify, albeit by way of example, conduct related to "do's" and "don'ts", specifying in operational terms the principles of the Corporate Code of Ethics.

"Do's"

All Recipients must commit themselves to respect the laws and the regulations in force in all the countries in which the Company operates.

The functional managers must make sure that:

- all employees are aware of the laws and of the resulting conduct to follow; when in doubt about the conduct to follow, they should be adequately advised;
- an adequate programme of constant formation and sensitisation on the issues related to the Company's Code of Ethics should be carried out.

When participating in public tenders or competitions called by Public Administration ("PA"), as well as in any negotiations or contracts entered into with both PA and private entities, all those involved must behave according to good faith and in accordance with the law, correct commercial practice and current regulations, as well as with the corresponding company procedures, avoiding any situation from which violation of laws and/or principles of fairness and transparency in the conduct of negotiations may arise.

Such negotiations must be conducted only by those previously and expressly authorised to do so, respecting roles and in accordance with corporate procedures; adequate mechanisms for traceability of information flows towards the contracting party must also be put in place.

Any request for advantages, any intimidating and/or constrictive or oppressive behaviour on the part of PA officials or third contracting parties or which one has merely become aware of, must be immediately reported.

The functional managers who are commonly in touch with PA must:

- provide their partners with guidelines regarding which operative conduct to follow in formal and informal contacts with the various public subjects, according to the characteristics of each individual area of activity, sharing their knowledge of regulations and their awareness of situations liable to offence;
- ensure adequate tracing mechanisms as regards official information channels with PA.
- maintain and request on the part of those having relations with PA conduct characterised by fairness, transparency, traceability and in good faith, respecting the roles and responsibilities attributed; strictly observe and enforce therefore, also with specific reference to relations with Public Administration, company procedures aimed at abstractly identifying and tracing the functions and positions responsible and appointed for relations with Public Administration, in compliance therefore with corporate roles;
- make clear, truthful, complete and traceable statements to public authorities and exhibit complete, truthful and unaltered documents and data;
- maintain correct and clear conduct such as to avoid inducing the counterparty into even potential error.

All consultants, suppliers, customers, and whoever is related to the Company, are committed to the observance of the laws and regulations in force in all the countries where the Company operates; no

relation will be initiated or continued with those who do not intend to comply with such principles. Any appointment of these subjects to operate as representatives and/or in the interest of the Company towards PA, the mandate must be given in written form, with a specific binding clause to act in observance of the ethical-conduct principles adopted by the Company.

Identical conduct guidelines to those indicated for relations with PA must also be adopted with regard to relations with any private third party, such as suppliers, customers, competitors, partners and/or any contractual counterparty.

When contributions, grants or financial support are requested from the State, the public corporations or the European Union, all Recipients involved in such procedures must:

- be correct and truthful when using and presenting documents and declarations that are complete and pertinent to the activities for which such benefits can be legitimately requested and obtained;
- once the requested outpayment has been obtained, the sum should be employed for the goals to which it was originally requested and obtained.

The people in charge of administrative/accounting functions must verify that each operation and transaction is:

- legitimate, consistent, congruous, authorised, verifiable;
- correctly and adequately registered, so that the process of decision, authorisation and implementation can be verified;
- supported by correct, authentic and appropriate documentation, so that careful inspections can be carried out at any time regarding the characteristics and the motivations of the operation, and the individuation of those who have authorised, carried out, registered and verified the operation itself.

All Recipients involved in preparation of the financial statements or other similar documents (reports, prospectuses or other corporate disclosures addressed to shareholders, creditors or the public) must adopt appropriate conduct, provide utmost collaboration, ensure completeness, transparency and clarity of information provided, accuracy of data and calculations, in accordance with current legislation and internal procedures adopted by the company.

Directors and their assistants must:

- depict the Company's economic, patrimonial or financial situation truthfully, clearly and completely when drafting the financial statements, disclosures to the market or similar documents;
- duly respect the requests of information on the part of the board of statutory auditors and facilitate as much as possible the activities of control or revision which are legally attributed to partners, other Company or auditing boards;
- must present the shareholders' meeting with complete acts and documents that match the accounting entries;
- provide the supervisory boards with correct and complete information regarding the Company's economic, patrimonial or financial situation;

Relations with the press - and in general with mass media - must be managed in accordance with principles of integrity, transparency, completeness and timeliness.

Only specifically authorised Recipients may communicate or disclose news concerning the company, in compliance with the laws and regulations in force and with the internal procedures adopted by the Company concerning the management of inside information.

Employers, senior managers and persons in charge, all employees and external service providers are required to apply and observe regulations on the protection of health and safety at work. In particular, in order to minimise potential risk of injury in the workplace, compliance with accident prevention regulations, as well as individual and collective preventive measures established and

communicated by the Company through specific instructions, equipment and training programmes is required. In this context, employees must consider themselves responsible for adequate management of safety and, therefore, must avoid exposing themselves or other workers to hazards which might cause injury or harm.

Relations with any third party (suppliers, external contract workers, commercial/financial partners) must be managed in compliance with internal procedures and characterised by impartiality, independence and transparency.

In particular, adoption of the predetermined rules and mechanisms to be complied with in selection procedures, as well as an adequate verification and monitoring system concerning proper execution of the services provided must be guaranteed.

Before establishing any business relationship with such parties, there must be a proper assessment of the information available relating to the commercial reliability of such counterparties, in order to ascertain their competence and fitness to properly and precisely fulfil the contractual obligations and the assigned tasks, as well as to avoid any possible involvement of the Company in operations suitable for encouraging receiving stolen goods or laundering and/or reusing money or benefits of illicit origin.

In the execution phase, the competent functions must verify the legitimate origin of the goods delivered, refraining from their reception in the presence of a mere suspicion of illicit origin, as well as verify the proper nature of payments, with reference to full correspondence between recipients/originators of the payments and counterparties effectively involved in the transaction.

Relations with customers (public or private) must be managed in full compliance with the criteria of honesty, courtesy, transparency and collaboration.

In particular, Recipients are required to:

- comply with all the internal procedures to be implemented vis-a-vis customers envisaged by the Company;
- ensure customers are provided with complete and truthful information about the nature and intrinsic and extrinsic characteristics of the goods delivered.

More generally, all information provided in connection with any commercial, advertising and promotional activities for the presentation of the Company's products and services must be truthful and correspond to the characteristics and technical features of the products themselves.

All employees are required to comply with Company procedures for the correct use of assigned information technology equipment. Employees must comply with the physical/logical security configurations adopted by the Company, in particular for activities which:

- require the processing of data and information, the misuse of which can result in fraud against natural or legal persons (private organisations and, in particular, if the counterparty belongs to PA);
- require access to infrastructures and/or software, the use of which may give rise to fraudulent use.

With particular reference to the control/organisational aspects of offences concerning the environment, the Company ensures:

- periodic monitoring of authorisations/licenses and in particular the scheduling of steps necessary to obtain and/or renew the same;
- clear definition of roles, duties and responsibilities to ensure the necessary technical skills and powers for verifying, evaluating, managing, controlling and monitoring environmental risks;

- monitoring of compliance with legal and corporate regulatory requirements through the planning and execution of internal audits;
- precise compilation of compulsory registers and forms for waste management;
- monitoring of submission, by the transport company, of the waste identification form within the legal deadlines.

Moreover, with specific reference to the Company activities in question, for the management of which the Company relies on third parties, personnel of entities involved are required, each within the scope of their powers and responsibilities, to:

- ensure that suppliers and other third parties (e.g. consultants), if required by rules and regulations, depending on the nature of the goods and services, provide evidence of compliance - on their part - with regulations concerning waste water discharges and waste management and environmental protection, in accordance with Company procedures and contractual provisions;
- periodically update the file of authorisations, registrations and disclosures acquired from third party suppliers and promptly report to the competent function any deviations found;
- ascertain, prior to initiating the relationship, the respectability and reliability of service providers involved in waste management, also by acquisition and verification of environmental disclosures, certifications and authorisations made by the same or acquired in accordance with law, also requesting the commitment - by the same - to maintain said authorisation certificates valid and effective for the entire duration of the contract.

With specific reference to plant, those involved are required to plan and/or carry out plant maintenance in line with the corresponding maintenance plans, verifying correct operation of the same and reporting any anomalies to the appropriate persons in charge.

In order to protect intellectual and industrial property, the Company requires that all research, design and development activities relating to new products is carried out in full compliance with current applicable national/international regulations, as well as with contractual commitments in place; in particular, it is necessary to verify in advance the pre-existence of industrial property rights on the part of third parties (registration of trademarks or other hallmarks, inventions, industrial ornamental models, patents). Similarly, the Company requires appropriate controls on the origin of materials, components and products purchased in order to monitor and verify the absence of counterfeiting or alteration of trademarks and/or hallmarks.

Employees are expressly recommended to use only software, databases or intellectual property of others only after obtaining the relevant user licence or in any case in compliance with copyright legislation. It is also necessary to adopt preventive measures to protect and hold the Company harmless from any prejudicial consequences arising from claims by third parties concerning the alleged violation of intellectual property rights.

In the event of recruitment of nationals of third countries, the Company requires possession of a residence permit.

All Recipients (including members of the corporate bodies, senior managers, employees, external contract workers, partners, suppliers, consultants, etc.) are express reminded to report any violation or suspected violation of the Organisational Model to the Supervisory Body.

The Supervisory Body protects whistleblowers from any detrimental effect that may derive from their reporting information. The Supervisory Body ensures confidentiality as regards the identity of such people, in observance of the laws in force.

The function managers must notify the Supervisory Body of the conducts that add to all offences, concerning operative processes in their jurisdiction, that have come to their notice either directly or through notification from their partners.

In particular, in the case of attempted extortion from a public officer towards an employee (or other partners) the following guidelines must be followed:

- the request must be ignored;
- the person in charge must be promptly notified;
- the person in charge must duly and formally notify the Supervisory Body.

“Don'ts”

In relations with PA officials (including in this definition any party or representative of the same, including the senior managers, officers or employees of the State or Public Bodies - hereinafter "Public Administration employees" - and those in general exercising a public function)²), be it in an institutional capacity or as a contracting counterparty, it is forbidden to:

- promise or offer (to them or to their relations, in-laws, friends, etc.) money, gifts or premiums, unless their value is moderate (trips, holidays and memberships in clubs, for example, are not considered of moderate value);
- examine or propose employment opportunities concerning such parties (or their relations, in-laws, friends, etc.), and/or commercial opportunities (or of any other kind) that may be advantageous to them;
- promise or offer them counselling of any kind and for any reason;
- make unjustified entertainment expenses or whose objectives are different from the mere promotion of the Company's image;
- promise or offer, also through other companies, jobs/services of personal utility (e.g. reconstruction works of buildings owned or used by them – or by relations, in-laws, friends, etc.);
- provide (or promise to provide), request or obtain information and/or classified documents, or data that may compromise the integrity or the reputation of either, or both parties;
- favour, in purchasing processes, suppliers and sub-suppliers that are recommended by such parties as a condition for the subsequent execution of activities (e.g. entrusting commissions, granting soft financing, or franchising).

Such actions and conducts are forbidden, both if they are carried out directly by the Company through its own employees, and if they are carried out indirectly through non-employees who act on behalf of the Company itself.

The same provisions must also be complied with in relations with any third party (suppliers, external contract workers, commercial/financial partners, customers, etc.). More generally, it is expressly forbidden to grant advantages of any kind and nature (also in the form, for example, of sponsorships, gifts, consulting appointments, awarding contracts, etc.) directly or indirectly in favour of those belonging to private companies in order to unduly favour the interests of the Company (e.g. to obtain more favourable market conditions, disclosure of confidential information, award of a supply, etc.).

Towards the Public Administration it is also forbidden to:

- exhibit false or forged documents/data;
- subtract or omit to present authentic documents;
- behave deceptively, so as to lead the Public Administration astray in the technical/economic assessment of the products and the services that are offered/supplied;

² For the concepts of Public Administration and those of Public Official of a Public Service Provider, please refer to the Special Section, Offences against Public Administration, page 41 et seq.

- omit due information, so as to unduly influence the decisions of PA;
- behave so as to unduly influence the decisions of PA;
- be represented by consultants or 'third parties' when such a situation can create conflicts of interest;
- abuse one's position as civil servant in order to obtain benefits and advantages for oneself or for the Company.

In general, it is forbidden to employ in the Company former employees of the Public Administration (or their relations, in-laws, friends, etc.) who have personally and actively taken part in business transactions with the Company, or who have endorsed the requests made by the Company to the Public Administration.

During civil, criminal or administrative proceedings, it is prohibited to undertake (directly or indirectly) any unlawful action that may favour or damage one of the parties in the proceedings.

It is also forbidden to induce - with violence or threat, or by promising or giving money - a person not to make statements before the judicial authorities or to make false statements in order to favour the interests of the Company.

When using computer or telematic systems, it is prohibited, unless authorised, to access computer systems used by PA or to change in any way their functioning, or carry out operations in any way on data, information or programmes contained in a computer or telematic system or relevant to said, in order to unduly obtain and/or modify information to the benefit of the Company or third parties, or in any case to obtain undue benefits for the same.

It is also expressly forbidden to use assigned Company information technology equipment for purposes contrary to the law, public order and morality; to engage in any conduct that may damage, alter or impair Company information and communication equipment, as it is also forbidden to abusively enter information systems protected by security measures.

It is forbidden for Directors and their assistants to:

- a) return contributions to their shareholders, or release them from the obligation to carry them through, except in cases of legitimate reduction of the share capital, and reduce the share capital or merge with other Companies (or separate from them), in violation of the laws in defence of creditors;
- b) distribute profits, or advances on profits that have not been made, or that have been destined for reserve; or distribute reserve funds that cannot be legally distributed;
- c) acquire or underwrite stocks or capital share issued by the Company or by the parent company, when prohibited by the law;
- d) fictitiously set up or augment the Company's capital by means of illegal operations.

It is expressly forbidden to:

- a) allow access to confidential information to persons other than those who need the same in order to exercise their functions or normal business activity;
- b) allow access to such information by interested parties without the same having been informed of the consequent duties and obligations, as well as the sanctions resulting from violation of such duties and obligations;
- c) buy, sell or perform other transactions on securities of the issuer, directly or indirectly, on one's own behalf or on that of third parties, using confidential information (*insider trading*);
- d) disclose confidential information outside the normal course of business (*tipping*);
- e) recommend or induce others, on the basis of confidential information, to perform transactions on securities (*tuyautage*);
- f) disseminate, via the media, including the Internet or any other means, information, rumours

- or false or misleading information regarding financial instruments of the issuer (market information manipulation);
- g) put in place buying/selling transactions or orders which:
 - provide, or are susceptible to provide, false or misleading indications concerning the supply, demand or price of financial instruments;
 - allow, through the action of one or more persons acting in concert, fixing of the price of financial instruments at an abnormal or artificial level;
 - use artifices or any other form of deception or expedient;
 - h) put in place artifices capable of providing false or misleading signals concerning the supply, demand or price of financial instruments of the issuer;
 - i) operate on treasury shares except within the scope of authorised programmes (e.g. treasury share repurchase transactions).

It is expressly forbidden for recipients of the Model to put in place situations and conduct which might jeopardise the safety and quality of the workplace, organised according to the ISO 9001, ISO 14001 and OHSAS 18001 certified integrated quality, environment and safety management system adopted by the Company.

The Company and its employees must avoid being involved or adopting conduct which may constitute the offence of receiving stolen goods, money laundering or self-laundering, such as the acceptance or possession and/or reuse of proceeds (objects) deriving from illicit activities.

In general, it is expressly forbidden for Recipients to:

- accept and/or transfer for any reason, except via banks, electronic money institutions or Poste Italiane SpA, cash or bank or postal bearer passbooks or bearer securities in euros or in foreign currency, when the value of the transaction, even split, is in total greater than or equal to the limit prescribed by law;
- issue bank and postal cheques for amounts higher than those provided for by current legislation and which do not bear an indication of the name or company name of the beneficiary and the non-transferability clause;
- make payments to foreign current accounts of natural persons resident in Italy or of entities with registered offices in Italy;
- make payments to numbered current accounts or those at banks without a physical establishment;
- make payments to current accounts of banks operating in countries included in tax haven lists and in favour of offshore companies.

It is also expressly forbidden to purchase and/or receive goods of any kind and nature which are known or even only suspected of being of illegal origin.

The Company expressly forbids improper disclosure or violation of industrial and intellectual property rights and copyright, as well as its own and third-party trade secrets.

With reference to the principles of conduct regarding the environment, it is forbidden for Recipients of this Model to:

- put in place conduct intended to violate the provisions concerning waste management, emission sources and discharges of industrial wastewater containing hazardous substances;
- falsify or alter the environmental disclosures to the Public Administration, including data and information relating to emissions into the atmosphere to be disclosed to the monitoring Authorities (e.g. ARPA, Provincial Administration);
- abandon or store waste in an uncontrolled manner and discharge the same, in solid or liquid state, in surface and underwater;
- conduct waste management activities in the absence of specific authorisation for disposal and recovery of the same, or in the event of revoked or suspended authorisation;

- mix different categories of hazardous waste (or hazardous with non-hazardous waste);
- violate the disclosure requirements, keeping of compulsory registers and forms for waste management;
- falsify/alter, and/or compile waste analysis certificates with incorrect and/or untruthful information concerning the nature, composition and physical-chemical characteristics of said waste, also with reference to the SISTRI - Handling Area;
- perform or participate in organised activities directed at illegal waste trafficking;
- prevent access to sites by control authorities;
- discharge industrial wastewater containing hazardous substances without authorisation or after the same has been suspended or revoked;
- violate the obligation to provide for, upon occurrence of a potential event which could contaminate the site, implementation of necessary preventive and remediation measures, providing timely notification to the competent authorities;
- violate the emission limit values or the provisions established by the authorisation in operating a plant as well as the air quality limit values provided for by current legislation;
- sell, buy, receive, transport, import, hold, transfer, abandon or unlawfully dispose of highly radioactive material.

Offences committed abroad

The Company, pursuant to art. 4 of the Decree, may be called upon to respond in Italy in relation to certain offences committed abroad in the case in which:

- a) the offence is committed abroad by a person functionally linked to the entity;
- b) the entity has its registered office in Italy.

Where the offences are committed partly abroad and partly in Italy, pursuant to art. 6, paragraph 2 of the Italian Criminal Code, the liability provided for in the Decree may also apply when only part of the conduct or the event occurred in Italy.

With regard to offences committed entirely abroad by persons, top management or subordinates, attributable to the Company, the latter is liable in the cases provided for in articles 7, 8, 9 and 10 of the Italian Criminal Code and provided that with regard to the same the Country of the place in which the offence was committed does not take action.

Sanctions

Conduct which does not comply with the provisions of the Code of Ethics and these Guidelines, regardless of any other type of criminal action taken against the offenders, will result in disciplinary measures being taken in accordance with laws in force and/or collective bargaining agreements in effect and in accordance with the provisions of the Model in the section dedicated to the disciplinary system.

Violations of the provisions and rules of conduct contained in the Code of Ethics and Code of Conduct and any commission of the offences provided for by Legislative Decree 231/2001, put in place by Third Parties which, although not belonging to the Company, act on behalf and/or in the interest of the same (such as outsourcers, consultants and service contractors) are sanctioned in accordance with the provisions of the specific contractual clauses included in their contracts. Such clauses may include, without limitation, the right to terminate the contract and/or the payment of penalties. The imposition of sanctions may involve, in addition, the prohibition of establishing new contractual relations with the parties involved, unless the Board of Directors decides otherwise.

Communications to the Supervisory Body

In order to facilitate communication to the Supervisory body of any fact or circumstance concerning the Model, Piaggio has put in place the following e-mail address:
organismodivigilanza@piaggio.com

