

Explanatory Memorandum

6. Appointment of the Board of Statutory Auditors and its Chairman; determination of their remuneration. Related and consequent resolutions.

Dear Shareholders,

With the approval of the Financial Statements at 31 December 2011, the term of the Company's Board of Statutory Auditors appointed in the ordinary Shareholders' Meeting of 16 April 2009 comes to an end; therefore it is necessary to appoint a new governance body and its Chairman, in compliance with applicable legal and statutory requirements.

Pursuant to article 24.1 of the Articles of Association, the Board of Statutory Auditors comprises three standing and two alternate 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 reelected.

Statutory Auditors shall have the requisites established by law, Articles of Association and other applicable provisions, including related to the total number of offices they can hold. For the purposes of article 1, paragraph 3, of the Ministry of Justice Decree no. 162 of 30 March 2000, the subjects (legal, economic, financial and technical-scientific) and business sectors connected or related to the business performed by the Company and the company purpose must be considered as strictly related to those performed by the Company.

As per article 24.2 of the Articles of Association, the Board of Statutory Auditors is nominated based on lists presented by the Shareholders where the candidates shall be listed by consecutive number. The list is composed of two sections: one for the candidates for the office of Statutory auditor, the other for the candidates for the office of Alternate auditor.

Each shareholder, as well as Shareholders participating in a significant shareholder agreement as per article 122 of Legislative Decree 58/1998, as well as the parent company, subsidiaries and joint ventures as per article 93 of Legislative Decree 58/1998, cannot present or take part in presenting more than one list, either by proxy or through trust companies, nor can they vote on different lists. Taking part and the votes expressed in violation of the above shall not be attributed to any list. Please also note that the Shareholders who present a "minority list" have to respect the recommendations provided by Consob communication no. DEM/9017893 dated 26 February, 2009.

Only shareholders who – either alone or jointly – hold a total of shares with voting rights representing at least 2.5% of the share capital with the right to vote in ordinary Shareholders' Meetings have the right to present lists, or else those who represent another percentage that has possibly been set or required by laws or regulations. It is important to note that with the resolution no. 18083 of 25 January 2012, Consob established a share capital of 2.0% as the holding required for presenting lists for the election of the Company's governance body.

The lists presented by the shareholders must be filed at the Company's registered office, in Pontedera (PI), Viale Rinaldo Piaggio no. 25, at least twenty-five days before the date of the first call of the Shareholders' Meeting, i.e. by 19 March 2012. The lists for the appointment of the Board of Directors may also be presented by telefax to no. 0587.27.29.61/by certified email to the address

piaggiogroup.corporate.governance@legalmail.it, pursuant to Article 144-sexies, par. 4-ter, of Consob Regulation no. 11971 dated 14 May 1999. Should the lists be presented by telefax or certified email, a copy of valid identity card of the subject who presents the list should be provided with.

The lists need to be accompanied by: a) information related to the identity of the Shareholders who presented the lists, with indication of the percentage of their total holding and a certification issued by an authorised intermediary in accordance with the law proving ownership of this holding; b) a declaration by Shareholders other than those who hold, including jointly, a controlling or relative majority holding, stating the absence of significant relationships with the later as provided by the law including regulations in force; c) complete information on the personal characteristics of the candidates, as well as a statement of the same candidates declaring, under their responsibility, the lack of causes of ineligibility or incompatibility, possession of the requisites required by law and their acceptance of the candidacy, as well as a list of administration and control offices held in other companies.

The ownership of the minimum investment necessary in order to present the list is attested through the submission to the Company by the intermediary of a communication pursuant to Article 23 of the Consob Regulation, adopted jointly with Bank of Italy on February 22, 2008, defining the discipline of central management services, the settlement and the warranty of systems for management companies, even after the deposit of the list, at least twenty-one days before the date fixed for the General Meeting on first call, i.e. by 23 March 2012. Such ownership is determined having regard to the shares registered in favour of the shareholder on the day on which the lists are available from the Company.

Any lists which do not comply with the above provisions shall be considered as not presented.

The lists shall be subject to the forms of publication required by laws including temporary regulations in force. In particular, at least twenty-one days before the date of the General Meeting (23 March 2012), the lists will be made available in favour of the public at the registered office of the Company, on the website and pursuant to the other provisions stated by Consob.

If, by the end of the period set for presenting the lists, only one list, or else only lists presented by Shareholders who are significantly related pursuant to the *temporary* applicable law in force and other regulations may be presented, lists may be presented up to the third day following that date and in that case, the minimum threshold to present the lists is reduced by half. Each candidate may only be present in one list or be declared ineligible.

Candidates may not be added to the list (without prejudice to all other causes of ineligibility or defeasance) who are not in possession of the requirements established by the law, Articles of Association or other provisions applicable for the respective offices. Each shareholder with the right to vote may only vote for one list.

The election of Statutory Auditors takes place as follows:

- a) two statutory auditors and an alternate auditor are selected from the list which obtained the highest number of votes at the Shareholders' Meeting, based on the consecutive order in which they appear in the sections of the list;
- b) one statutory auditor and one alternate auditor will be selected from the second list which obtained the highest number of votes at the Shareholders' Meeting and who, pursuant to the law and other regulations in force, is not connected, either directly or indirectly, with the Shareholders who presented or voted the list which obtained the highest number of votes,

based on the consecutive order in which they appear in the sections of the list.

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

The Chairman of the Board of Statutory Auditors shall be the statutory auditor selected from the second list that obtained the highest number of votes, pursuant to item b) above. The above-mentioned provisions regarding the appointment of Statutory Auditors do not apply to Shareholders' Meetings to which only one list has been presented, or voted; In those cases, the Shareholders' Meeting shall resolve with a relative majority.

We would like to remind you that the ordinary Shareholders' Meeting is also asked to pass a resolution on the remuneration of the control organ members.

February 23, 2012

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