



**PIAGGIO & C.s.p.a.**

**INFORMATIVE DOCUMENT ON THE STOCK OPTION PLAN  
APPROVED BY THE SHAREHOLDERS ON 07 MAY 2007, PROVIDED  
IN COMPLIANCE WITH ARTICLE 84-BIS OF REGULATION NO. 11971  
APPROVED BY CONSOB RESOLUTION DATED 14 MAY 1999 AND  
AMENDMENTS THERETO**

**Update March 2014**

## Definitions

In this Informative Document, the following definitions are used:

<b>Chief Executive Officer</b>	The Chief Executive Officer pro tempore of the Company
<b>Directors</b>	Indicates Directors with responsibility for Subsidiaries
<b>Shares</b>	The Company's ordinary shares without indication of nominal value subject of the Stock Option Plan reserved for Option Beneficiaries who exercise Stock Options, including in this definition both newly-issued shares as well as treasury shares in the Company's portfolio
<b>Option Beneficiaries</b>	Recipients of the Stock Option Plan, in accordance with Section 1 of the Informative Document, identified by the CEO among Directors and Executives.
<b>Board of Directors</b>	The Board of Directors of the Company
<b>Subsidiaries</b>	Italian and foreign companies controlled by Piaggio pursuant to art. 2359 of the Italian Civil Code
<b>Grant Date</b>	The date on which the CEO defines the number of Stock Options to be assigned to individual Option Beneficiaries
<b>Executives</b>	Senior managers of the Company and its Subsidiaries
<b>Informative Document</b>	This informative document drawn up pursuant to art. 84- <i>bis</i> of the Consob Regulation on Issuers and consistent with, also in its Section numbering, the indications contained in Diagram 7 of Annex 3A of the Consob Regulation on Issuers
<b>Screen-based stock market</b>	The computerised stock market organised and managed by Borsa Italiana S.p.A.
<b>Stock Options</b>	The stock options that grant to each Option Beneficiary the right to purchase or subscribe to (as appropriate) Shares, in the ratio of 1 (one) Share for every 1 (one) Stock Option exercised

<b>Piaggio or the Company</b>	Piaggio & C. S.p.A., with registered office in Pontedera (PI), Viale Rinaldo Piaggio 25, issuer of the shares admitted for trading on the screen-based stock market
<b>Stock Option Plan</b>	Indicates the incentive and loyalty plan reserved for the top management of Piaggio and its Subsidiaries based on financial instruments, approved by resolution of the Ordinary Shareholders' Meeting of 7 May 2007 and subsequently amended by resolution of the Ordinary Shareholders' Meeting of 16 April 2010
<b>Consob Regulation on Issuers</b>	Consob Regulation no. 11971/1999 as amended
<b>Consolidated Law on Finance</b>	Legislative Decree 58/1998 as amended
<b>Consolidated Law on Income Tax</b>	The Consolidated Law on Income Tax, approved with Presidential Decree no. 917 of. 22 December 1986

## Foreword

This Informative Document, drawn up in accordance with art. 84-*bis* of the Consob Regulation on Issuers and consistent, also in its Section numbering, with the indications contained in Diagram 7 in Annex 3A of the Consob Regulation on Issuers, concerns the Stock Option Plan approved by resolution of the Ordinary Shareholders' Meeting of 7 May 2007 and subsequently amended by resolution of the Ordinary Shareholders' Meeting of 16 April 2010. This Informative Document constitutes an update of the Informative document published on 30 September 2012, in order to update and supplement the same with additional information relating to facts which occurred subsequent to the date of publication and therefore refers to the Stock Option Plan currently in place. For further historical information on the Stock Option Plan please refer to the previous updates to the Informative Document published on the website [www.piaggiogroup.com](http://www.piaggiogroup.com) in the *Governance – Management* section.

By virtue of Ordinary Shareholders' Meeting resolutions, said Stock Option Plan provides for allocation to Option Beneficiaries of Stock Options valid, as appropriate, for the purchase of treasury shares in the Company's portfolio, or for subscribing to newly-issued shares arising from an increase in share capital, paid

and in tranches, with the exclusion of option rights pursuant to articles 2441, paragraph 8, of the Italian Civil Code, and 134 of the Consolidated Law on Finance resolved by the Extraordinary Shareholders' Meeting of 16 April 2010, as specified in Section 3.4 below.

It should be noted that the Stock Option Plan is to be considered "of particular importance" pursuant to art. 114-*bis*, paragraph 3 of the Consolidated Law on Finance and art. 84-*bis*, paragraph 2 of the Consob Regulation on Issuers, as specified in Section 1 below.

## **1. Recipients**

### **1.1 Designation of recipients who are members of the Board of Directors of the issuer of the financial instruments, of parent companies of the issuer and of companies directly or indirectly controlled by the latter**

Directors identified by the CEO, as specified in Section 3.2 below, are recipients of the Stock Option Plan.

Directors may be granted Stock Options providing that they have not tendered their resignation and have not been removed from office at the Grant Date.

The table below identifies the Directors that have received Stock Option grants.

<b>Name</b>	<b>Company</b>	<b>Position</b>
Ravi Chopra	Piaggio Vehicles Private Limited	Chief Executive Officer
Costantino Balbo Bertone di Sambuy	Piaggio Vietnam Co. Ltd.	Chief Executive Officer

### **1.2 Categories of employees or collaborators of the issuer of the financial instruments and of the parent companies or subsidiaries of said issuer**

Executives identified by the CEO, as specified in Section 3.2 below, are also recipients of the Stock Option Plan.

Executives may be granted Stock Options providing that they have not tendered their resignation and have not been notified of dismissal at the Grant Date.

**1.3 Designation of persons benefiting from the Stock Option Plan such as general managers of the issuer, other executives with strategic responsibilities or natural persons controlling the share issuer, whether employees or collaborators of the share issuer**

The Stock Option Plan has particular importance pursuant to art. 114-*bis*, paragraph 3 of the Consolidated Law on Finance and art. 84-*bis*, paragraph 2 of the Consob Regulation on Issuers, as it is reserved for employees performing general management functions or with strategic responsibility in Piaggio or for employees and natural persons who collaborate with the Company, as recalled by art. 84-*bis*, paragraph 2, point a) of the Consob Regulation on Issuers.

In the following table, the Option Beneficiaries who, at the date of this Informative Document, fall into said category are designated.

<b>Name</b>	<b>Company</b>	<b>Position</b>
Gabriele Galli	Piaggio & C. S.p.A.	General manager finance

**1.4 Description and numerical indication, divided by categories**

As specified in the table in Section 4.24 below, at the date of this Informative Document, taking into account (i) the Stock Options expired due to termination of employment with the Company of the corresponding Option Beneficiary and (ii) the cancellation of Stock Options granted by the Chief Executive Officer on 13 June 2007 and partial reallocation of the same (as approved by the Board of Directors on 18 December 2009, with the favourable opinion of the Remuneration Committee and with the consent of

the persons concerned pursuant to the Stock Option Plan Regulations), a total of 6,280,000 Stock Options were granted by the Chief Executive Officer, as indicated below:

- 2,340,000 Stock Options granted on 31 July 2008 to 17 Option Beneficiaries, including 3 Directors and 14 Executives, of which one with management functions pursuant to art. 152-*sexies*, paragraph 1, point c)-c.2) of the Consob Regulation on Issuers, as referred to by art. 84-*bis*, paragraph 2, point a) of the Consob Regulation on Issuers (the “**First Tranche**”). These Stock Options have all already been exercised;
  - 300,000 Stock Options granted on 3 October 2008 to 1 Executive (the “**Second Tranche**”); it should be noted that, at the date of this Informative Document, these Stock Options have all already been exercised;
  - 390,000 Stock Options granted on 15 January 2009 to 1 Director (the “**Third Tranche**”); it should be noted that, at the date of this Informative Document, these Stock Options have expired;
  - 250,000 Stock Options granted on 11 May 2009 to 2 Option Beneficiaries with the qualification of Executive (the “**Fourth Tranche**”); It should be noted that, at the date of this Informative Document, of these Stock Options 50,000 have already been exercised;
- 3,000,000 Stock Options granted on 18 December 2009 to 27 Option Beneficiaries with the qualification of Executive (the “**Fifth Tranche**”); it should be noted that, at the date of this Informative Document, of these Stock Options 150,000 have already been exercised and 70,000 have expired;

The criteria used for determining the exercise price for the Stock Options, reported in Section 4.19 below, is the same for all Option Beneficiaries.

## **2. Reasons justifying adoption of the Stock Option Plan**

### **2.1 The objectives to be achieved through allocation of the Stock Option Plan**

The Company, in keeping with international practice and in compliance with the recommendations of the Self-Regulatory Code for listed companies concerning the remuneration of executive directors and senior management, considers that the Stock Option Plan constitutes a tool able to:

- a) involve and incentivate Piaggio Group management whose activity is considered of fundamental importance for the achievement of Piaggio Group objectives;
- b) communicate the Company's willingness to share with top professionals of the Piaggio Group the expected increase in value of the Company itself;
- c) encourages loyalty among key people at the Piaggio Group by providing an incentive to remain with the Group.

#### **2.1.1. Additional information**

The Stock Option Plan covers a three-year time horizon (from each Grant Date), originally in order to take advantage of the benefits provided by the tax legislation in force at the time of establishment of the Stock Option Plan; This period was in any case judged to be the most suitable for achieving the management incentivation and loyalty objectives pursued by the Stock Option Plan.

There is no set ratio between the number of Stock Options granted to the individual Option Beneficiary and the overall salaries earned by Option Beneficiaries.

#### **2.2 Key variables, also in the form of *performance* indicators considered for the purposes of allocation of the Stock Option Plan based on financial instruments**

The allocation of Stock Options to Option Beneficiaries is free of charge and exercise of the same is not related to achievement of specific performance targets.

#### **2.3 Elements forming the basis of determination of the amount of remuneration based on financial instruments, or the criteria for its determination**

The quantity of Stock Options to be granted to each Option Beneficiary is established by the Chief Executive Officer at his discretion, bearing in mind the position, responsibilities and professional skills of the same in the organisational structure of the Piaggio Group.

#### **2.4 Reasons behind any decision to allocate a remuneration plan based on financial instruments not issued by the issuer of the financial instruments, such as financial instruments issued by subsidiaries or parent companies or by third party companies with respect to the group the option beneficiary**

**belongs to; if these instruments are not traded on regulated markets, information on the criteria used for determining the value attributable to the same**

Not applicable, since the Stock Option Plan is based only on Shares.

**2.5 Assessments concerning significant tax and accounting implications that have influenced the definition of the Stock Option Plan**

The structure of the Stock Option Plan has been partly influenced by tax legislation applicable at the time of the establishment of the Stock Option Plan itself, in particular:

- Article 9, paragraph 4, point a) of the Consolidated Law on Income Tax underpinned the decision to set the exercise price of the Stock Options equal to the "normal value" of ordinary Piaggio shares;
- Article 51 (2-*bis*) of the Consolidated Law on Income Tax underpinned the decision to set the vesting period at three years following the Grant Date.

The Stock Option Plan structure illustrated above is in any case consistent with the loyalty objectives of the Stock Option Plan and in line with best practices in share-based incentive plans.

**2.6 Possible support of the Stock Option Plan by the Special Fund for Incentivation of Employee Participation in Companies, pursuant to article 4, paragraph 112 of Law No. 350 of 24 December 2003**

The Stock Option Plan does not receive support from the Special Fund for Incentivation of Employee Participation in Companies, pursuant to article 4, paragraph 112 of Law No. 350 of 24 December 2003.

**3. Approval procedure and timing of instrument allocation**

**3.1 Scope of powers and functions delegated by the Board of Directors in order to implement the Stock Option Plan**

As mentioned in the Introduction, the Stock Option Plan was approved by resolution of the Ordinary Shareholders' Meeting of 7 May 2007 and subsequently amended by resolution of the Ordinary Shareholders' Meeting of 16 April 2010. By virtue of Ordinary Shareholders' Meeting resolutions, said Stock Option Plan provides for allocation to Option Beneficiaries of Stock Options valid, as appropriate, for the purchase of treasury shares in



the Company's portfolio, or for subscribing to newly-issued shares arising from an increase in share capital, paid and in tranches, with the exclusion of option rights pursuant to articles. 2441, paragraph 8, of the Italian Civil Code, and 134 of the Consolidated Law on Finance resolved by the Extraordinary Shareholders' Meeting of 16 April 2010.

Pursuant to said Ordinary Shareholders' Meeting resolutions, the Board of Directors and, on its behalf, the Chief Executive Officer, was granted all the necessary or appropriate powers to execute the Stock Option Plan. As such, it is the Board of Directors that is responsible for management of the Stock Option Plan. Accordingly, the Board of Directors is responsible for (i) approving the Regulations governing the implementation of the Plan and any amendments thereto; (ii) supervising and managing the Stock Option Plan.

### **3.2 Indication of those assigned with administration of the Stock Option Plan and their functions and responsibilities**

The Chief Executive Officer has been vested by the Shareholders' Meeting with the power to (i) identify Option Beneficiaries and determine the quantity of Stock Options to be granted to each them, (ii) proceed with allocation to Option Beneficiaries and (iii) carry out all activities, requirements, formalities and communications necessary or appropriate for the purposes of management and/or implementation of the Stock Option Plan.

### **3.3 Any existing Stock Option Plan review procedures, also in relation to any variations in the basic objectives**

Except as provided for in Section 4.23 below, there are no Stock Option Plan review procedures in relation to variations in the basic objectives. The Board of Directors will decide if there is any need for substantial amendments to the Stock Option Plan. Specifically, in accordance with the Stock Option Plan Regulations, the Board of Directors may amend, cancel and replace Stock Options granted but not yet exercisable with the consent of the Option Beneficiaries affected, in the best interests of the Company and in keeping with the objectives of the Stock Option Plan itself. The Board of Directors also has the power to terminate the Stock Option Plan and introduce amendments as necessary. In this case, the termination or amendment of the Stock Option Plan will have no bearing on Stock Options already granted to the Option Beneficiaries affected.

### **3.4 Description of the procedures to determine the availability and allocation of financial instruments on which the Stock Option Plan is based**

The Stock Options granted to recipients incorporate the right to buy Shares in the Company's portfolio or subscribe to newly issued Shares, as described below.

Based on the resolutions of the Ordinary Shareholders' Meeting of 7 May 2007 and of Ordinary and Extraordinary Shareholders' Meeting of 16 April 2010:

- (i) Option Beneficiaries holders of Stock Options granted in the First Tranche, Second Tranche, Third Tranche and Fourth Tranche (see Section 1.4) have the right to purchase 1 Share in the Company's portfolio every 1 Stock Option exercised according to the terms and conditions defined in the Stock Option Plan; to satisfy the total of 3,280,000 Stock Options granted in the above-mentioned Tranches, a maximum of 3,280,000 Treasury Shares in the Company's portfolio are therefore reserved, equal to 0.89 percent of share capital, purchased by Piaggio based on the authorisation of the Ordinary Shareholders' Meeting of 7 May 2007, pursuant to art. 2357 of the Italian Civil Code and art. 144-*bis* of the Consob Regulation on Issuers. In consideration of the fact that (i) of the Stock Options granted in the First Tranche, 2,340,000, have been fully exercised, (ii) of the Stock Options granted in the Second Tranche, 300,000, have been fully exercised, (iii) the Stock Options granted in the Third Tranche, equal to 390,000, have expired and that (iii) 50,000 of the shares granted in the Fourth Tranche, equal to 250,000, have been exercised, the Stock Options currently exercisable, all granted in the Fourth Tranche, amount to 200,000;
- (ii) Option Beneficiaries holding Stock Options granted in the Fifth Tranche (see Section 1.4) have the right to subscribe to 1 newly issued Share every 1 Option exercised according to the terms and conditions of the Stock Option Plan; to satisfy the total of 3,000,000 Stock Options granted in the above-mentioned Tranche, a maximum of 3,000,000 newly issued Shares in the Company's portfolio are therefore reserved, arising from the increase in share capital, paid and in tranches, with the exclusion of option rights pursuant to articles. 2441, paragraph 8, of the Italian Civil Code, and 134 of the Consolidated Law on Finance resolved by the Extraordinary Shareholders' Meeting

of 16 April 2010, for a total of max. 2,891,410.20 euros nominal, in addition to 6,673,309.80 euros by way of share premium. In view of the fact that in the Fifth Tranche 150,000 Stock Options have been exercised and 70,000 Stock Options have expired, Stock Options currently exercisable in the above-mentioned Fifth Tranche amount to 2,780,000.

**3.5 The role of each director in determining the characteristics of the Stock Option Plan; possible situations of conflict of interest on the part of directors involved**

The Stock Option Plan guidelines have been developed by the Chairman and Chief Executive Officer of the Company with the support of director Luciano La Noce and external consultants, in consultation with the Remuneration Committee. The Stock Option Plan, approved by the Ordinary Shareholders' Meeting of 7 May 2007, was discussed by the Board of Directors at its meeting held on 16 March 2007; amendment of the Stock Option Plan, approved by the Ordinary Shareholders' Meeting of 16 April 2010, was discussed by the Board of Directors at its meeting held on 26 February 2010; The Stock Option Plan does not extend to members of the Company's Board of Directors. As such it does not give rise to conflicts of interests with Board members.

**3.6 For the purposes of the requirements of art. 84-bis, paragraph 1, of the Consob Regulation on Issuers, the date of the decision taken by the competent body to submit the Stock Option Plan for approval by the Shareholders' Meeting and of any proposal of the Remuneration Committee**

The Board of Directors resolved to submit the Stock Option Plan to the Ordinary Shareholders' Meeting of the Company of 7 May 2007 at its meeting of 11 April 2007, in compliance with the recommendations of the Remuneration Committee. The Board of Directors resolved to submit the amendment of the Stock Option Plan to the Ordinary Shareholders' Meeting of the Company of 16 April 2010 at its meeting of 26 February 2010, in compliance with the recommendations of the Remuneration Committee.

**3.7 For the purposes of the requirements of art. 84-bis, paragraph 5, point a), of the Consob Regulation on Issuers, the date of the decision taken by the competent body concerning allocation of instruments and of any proposal of the Remuneration Committee**

Please refer to that indicated in Section 1.4 above.

All the Option Beneficiaries were designated by the Chief Executive Officer, with the exercise price set according to the Stock Option Plan criteria described in Section 4.19 below. At the date of this Informative Document a total of 2,980,000 Stock Options, still exercisable, have been granted.

**3.8 The market price, recorded on the above-mentioned dates, of financial instruments on which the Stock Option Plan is based, if traded on regulated markets**

Below is the official stock exchange price of Piaggio shares with reference to each Grant Date of Stock Options still exercisable:

- 11 May 2009: €1.2238
- 18 December 2009: €1.8818

**3.9 In the case of plans based on financial instruments traded on regulated markets, the terms and the procedures according to which the issuer takes account, in the context of determining the timing of allocation of instruments provided for in the plans, of the possible temporal coincidence between (i) allocation or any decisions taken in such regard by the Remuneration Committee, and (ii) dissemination of any relevant information pursuant to art. 114, para. 1; for example (in the event such information is a) not already public and suitable for influencing market prices, or b) already published and suitable for negatively affecting market prices**

The length of the period taken into consideration for calculation of the exercise price is such as to prevent allocation being significantly affected by any dissemination of relevant information pursuant to art. 114, paragraph 1 of the Consolidated Law on Finance. In addition to this, Stock Options may not be exercised before the first business day following the end of the three-year vesting period calculated from the Grant Date.

The Board of Directors has the power to suspend the exercise of Stock Options by Option Beneficiaries in certain periods of the year. In this case, the Company will notify Option Beneficiaries in writing of any suspension.

**4. Characteristics of instruments attributed**

**4.1 Description of the forms in which the Remuneration Plan based on financial instruments is structured**

The Stock Option Plan provides for allocation of Stock Options free of charge which allow, at the established conditions and depending on the circumstances (see Section 3.4), the subsequent purchase or subsequent subscription of Shares, with regulations for physical delivery. In this sense, it is true *Stock Options* that are granted.

#### **4.2 Indication of the period of effective implementation of the Stock Option Plan, also with respect to any planned successive cycles**

At the date of this Informative Document, (a) a total of 3,280,000 Stock Options have been assigned in the First Tranche, Second Tranche, Third Tranche, and Fourth Tranche, valid for the purchase of 3,280,000 Treasury Shares in Company's portfolio; of these (i) a total of 2,340,000 Stock Options granted in the First Tranche have been fully exercised on 1 August 2011, (ii) a total of 300,000 Stock Options granted in the Second Tranche have already been exercised, (iii) a total of 390,000 Stock Options granted in the Third Tranche have expired and (iv) 50,000 Stock Options granted in the Fourth Tranche have already been exercised and therefore 200,000 remain, all granted in the Fourth Tranche and (b) in the Fifth Tranche a total of 3,000,000 Stock Options, valid for the subscription of 3,000,000 newly-issued Shares, of which 150,000 Stock Options have already been exercised, while 70,000 Stock Options have expired, and therefore the Stock Options currently exercisable within the above-mentioned Fifth Tranche amount to 2,780,000.

All the Stock Options as granted above will also be exercisable in several *tranches* from the first business day following expiry of the third year from the Grant Date ("**Start Date**") and within expiry of the fifth year from the Grant Date ("**Expiration Date**").

Stock Options may only be exercised each year between the Commencement Date and the Expiration Date (the "**Exercise Period**") as indicated in the following table. The table reports the specific terms in which the Stock Options may be exercised, as determined by the Stock Option Plan. In each year of the Stock Option Plan, Stock Options may only be exercised after their vesting period, during the exercise period, that is after the relative Commencement Date and no later than the Expiration Date.

<b>Grantdate</b>	<b>11/05/09</b>
Commencement date	11/05/12

Exercise Terms 2012	sixty days starting from the Commencement Date/from two days following the approval of the consolidated financial statements as at 31 December 2011/from two days following the approval of the interim report as at 30 June 2012
Exercise Terms 2013	sixty days starting from two days following the approval of the consolidated financial statements as at 31 December 2012/from two days following the approval of the interim report as at 30 June 2013
Exercise Terms 2014	sixty days starting from two days following the approval of the consolidated financial statements as at 31 December 2013/from two days following the approval of the interim report as at 30 June 2014
Expiration date	11/05/14
<b>Grantdate</b>	<b>18/12/09</b>
Commencement date	18/12/12
Exercise Terms 2012	sixty days starting from the Commencement Date/from two days following the approval of the consolidated financial statements as at 31 December 2011/from two days following the approval of the interim report as at 30 June 2012
Exercise Terms 2013	sixty days starting from two days following the approval of the consolidated financial statements as at 31 December 2012/from two days following the approval of the interim report as at 30 June 2013
Exercise Terms 2014	sixty days starting from two days following the approval of the consolidated financial statements as at 31 December 2013/from two days following the approval of the interim report as at 30 June 2014
Expiration date	18/12/14

The Board of Directors has the power to suspend the exercise of Stock Options by Option Beneficiaries in certain periods of the year. In this case, the Company will notify Option Beneficiaries in writing of any suspension.

Should there be a change of control of the Company during the Exercise Period, without prejudice to the three-year period referred to in Section 4.2 above, the Stock Options may also be exercised in the 30 (thirty) day period from the date of communication by the Company to Option Beneficiaries of the transaction resulting in the change of control.

A change of control of the Company is construed as any transaction or situation in which IMMSI S.p.A. loses its controlling interest in Piaggio S.p.A. or its assets, as contemplated by article 93 of the Consolidated Law on Finance.

**4.3 Stock Option Plan termination**

Please refer to Section 4.2 above.

**4.4 Maximum number of financial instruments, also in the form of stock options, granted in each fiscal year in relation to designated persons or indicated categories**

In addition to that already stated in Section 4.2, please note that there is no maximum number of Stock Options to be granted in a fiscal year.

**4.5 Stock Option Plan implementation procedures and clauses, specifying whether actual allocation of instruments is subject to the occurrence of conditions or to achievement of certain results, also in terms of performance; descriptions of such conditions and results**

With regard to Stock Option Plan implementation procedures and clauses, please refer to the provisions of individual Sections of this Informative Document. Specifically, as reported in section 2.3, the number of Stock Options granted to each Option Beneficiary is determined at the discretion of the Chief Executive Officer, on the basis of the beneficiary's position, his/her duties and responsibilities, and professional expertise within the organisational structure of the Piaggio Group.

Stock Option grants are in no way tied to the attainment of *performance* objectives.

**4.6 Indication of any availability constraints imposed on instruments granted or on the instruments arising from the exercise of stock options, with particular reference to the deadlines within which subsequent transfer to the company itself or to third parties is permitted or prohibited**

The Stock Option Plan envisages that Stock Options granted cannot be transferred for any reason except for "*mortis causa*", nor be subjected to lien or other right in rem and/or provided as collateral, whether with full or partial rights, both by deed inter vivos as well as in application of legislation. In this case, 'transfer' is construed as any transaction resulting directly or

indirectly in the assignment of the Stock Options to third parties, including therein transfers by gift, exchange or contribution.

**4.7 Description of any termination conditions in relation to the allocation of plans in cases where recipients perform hedging transactions to neutralise any prohibition of sale of the financial instruments granted in the form of stock options or the financial instruments arising from the exercise of such stock options**

There are no termination conditions should Option Beneficiaries perform hedging transactions to neutralise the above-mentioned sale prohibitions.

**4.8 Description of the effects determined by termination of employment**

The Stock Option Plan envisages that in the event of:

- (a) justified dismissal or dismissal without just cause of an employee, as well as in the case of revocation with just cause of a director or resignation without just cause of a director or
- (b) in the case of consensual termination of employment of an employee, with the prior written consent of Piaggio or of a Subsidiary, or in the case of unjustified dismissal or dismissal for just cause of an employee, as well as in the case of termination of office of a director not due to revocation for just cause or resignation of a director for just cause, the Option Beneficiary is automatically excluded from the Stock Option Plan and, consequently, all Stock Options granted to the same at the date of occurrence of the event in question automatically expire and are devoid of any effect and validity, liberating the Company from any obligation and liability vis-a-vis the Option Beneficiary.

Nevertheless, in the case referred to in point (b) the Chief Executive Officer has the right, also in relation to any specific clauses provided for in the employment or directorship relationship of the Option Beneficiary, to decide that the latter may keep the Stock Options in a number which the Chief Executive will determine, taking into account the period of time which has passed and any other element that deemed appropriate to consider in this regard.

In the event that the employment or directorship relationship of the Option Beneficiary is terminated due to death, permanent disability or as a result of reaching retirement requisites, the Chief Executive Officer will determine



the number of Stock Options to be kept by the Option Beneficiary, or by his rightful claimants in the event of death, in proportion to the period of participation in the Stock Option Plan with respect to the entire period of the same.

In the event of transfer of employment pursuant to art. 2112 of the Italian Civil Code resulting in the Option Beneficiary no longer being part of the Piaggio Group, the same will keep the Stock Options in proportion to the period participation in the Stock Option Plan with respect to the entire period of the same.

#### **4.9 Indication of other possible causes of cancellation of the Stock Option Plan**

In the event of transfer of Stock Options in violation of the limits indicated in Section 4.6 the Stock Options shall become void.

No other grounds for cancellation are contemplated by the Stock Option Plan.

#### **4.10 Reasons concerning any provisions for "redemption", on the part of the company, of the financial instruments subject of the plans, provided for pursuant to article 2357 et seq. of the Italian Civil Code; beneficiaries of the redemption, indicating whether the same is intended only for particular categories of employees; effects of termination of the employment relationship on said redemption**

The right to the redemption of Shares by the Company is not envisaged.

#### **4.11 Any loans or other benefits granted for the purchase of shares pursuant to art. 2358, paragraph 3 of the Italian Civil Code**

There is no provision for granting loans or other benefits for the purchase of shares pursuant to art. 2358, paragraph 3, of the Italian Civil Code.

#### **4.12 Indication of assessment of the expected cost for the company at the time of the related allocation, as determined based on the predefined terms and conditions, of the total amount and for each instrument of the Stock Option Plan**

The expected cost of the Stock Option Plan for the Company is as follows:

- with regard to Stock Options granted to Option Beneficiaries on 11 May 2009, in place as at 31 December 2013, in accordance with international

accounting standards, a cost for the Company of 99,441.00 euros has been estimated;

- with regard to Stock Options granted to Option Beneficiaries on 18 December 2009, in place as at 31 December 2013, in accordance with international accounting standards, a cost for the Company of 1,848,144.00 euros has been estimated;

#### **4.13 Indication of any dilutive effects on capital determined by the Remuneration Plan**

As mentioned in Section 3.4 above, Option Beneficiaries holders of a total of 3,000,000 Stock Options granted in the Fifth Tranche, have the right to subscribe to a maximum of 3,000,000 newly issued Shares in the Company's portfolio, arising from the increase in share capital, paid and in tranches, with the exclusion of option rights pursuant to articles. 2441, paragraph 8, of the Italian Civil Code, and 134 of the Consolidated Law on Finance resolved by the Extraordinary Shareholders' Meeting of 16 April 2010, for a total of max. 2,891,410.20 euros nominal, in addition to 6,673,309.80 euros by way of share premium. At the date of this Informative Document, 150,000 Stock Options have been exercised and 70,000 Stock Options have expired and therefore the capital increase reserved for said Option Beneficiaries, in the event of fully exercising the remaining part, would determine a maximum dilution of 0.77% of current share capital.

Option Beneficiaries holders of 200,000 Stock Options granted in the Fourth Tranche– which envisaged the allocation of 250,000 Stock Options, of which 50,000 have been exercised – have the right to subscribe to a maximum of 200,000 Treasury Shares in the Company's portfolio; therefore, for such allocations the Stock Option Plan does not have any dilutive effect on share capital.

#### **4.14 Any limits on the exercise of voting rights and on the allocation of equity rights**

There is no limit on the exercise of voting rights and on the allocation of equity rights concerning shares.

#### **4.15 If the shares are not traded on regulated markets, all relevant information for a complete assessment of their attributable value**

Not applicable since the shares are listed on the screen-based stock market.

#### **4.16 Number of financial instruments underlying each stock option**

Each Stock Option granted gives the right to purchase or subscribe to (as appropriate) Shares, in the ratio of 1 (one) Share for every 1 (one) Stock Option exercised.

#### **4.17 Stock Option expiry**

Stock Option expiry coincides with expiry of the fifth year following the Grant Date. For Stock Options granted on 11 May 2009, the expiry date will be 11 May 2014; for Stock Options granted on 18 December 2009, the expiry date will be 18 December 2014;

#### **4.18 Procedure (American/European), timing (e.g. valid exercise periods) and exercise clauses (e.g. *knock-in* and *knock-out* clauses)**

The Stock Options will have a "European" exercise procedure.

The exercise period commences on the first business day following the end of the three-year vesting period calculated from the Grant Date, and expires at the end of five years following the Grant Date. During the exercise period, the Stock Options may be exercised within the terms reported in section 4.2.

#### **4.19 Stock Option exercise price**

The Stock Option exercise price is equal to the "normal market value" of shares at the Grant Date, meaning that determined based on the arithmetic average of the stock prices recorded in the previous month, considering the Grant Date as the reference date.

The exercise prices for Stock Options granted by the Chief Executive Officer are stated below.

- For Stock Options granted on 11 May 2009, the exercise price is €1.2237;  
and
- For Stock Options granted on 18 December 2009, the exercise price is €1.826;

#### **4.20 If the exercise price is not equal to the market price determined as indicated in point 4.19.b (*fair market value*), reasons for such difference**

Not applicable since the exercise price will be determined as indicated in Section 4.19.

**4.21 Criteria based on which different exercise prices for various persons or various categories of recipients are envisaged**

Not applicable since there are no criteria for the determination of different exercise prices among Option Beneficiaries.

**4.22 In the event that the financial instruments underlying the stock options are not traded on regulated markets, indication of the value attributable to the underlying instruments or criteria for determining such value**

Not applicable since the Shares are listed on the screen-based stock market.

**4.23 Criteria for adjustments made necessary as a result of extraordinary transactions on capital and other transactions involving a change in the number of underlying instruments (capital increases, extraordinary dividends, grouping and splitting of underlying shares, merger and demerger, conversion into other classes of shares, etc.)**

In the case of:

- splitting and regrouping of Shares;
- free-of-charge capital increase of Piaggio S.p.A. by allocation of new shares or modification of the nominal value;
- paid capital increase of Piaggio S.p.A with the offer to subscribe to new shares;
- merger or demerger of Piaggio S.p.A.

or of other circumstances that render it necessary, the Board of Directors will regulate the emerging rights and/or adjust allocation conditions if and in so far as they have an impact on the value of the rights granted.



PIAGGIO & C. s.p.a.

4.24 Table

**REMUNERATION PLANS BASED ON FINANCIAL INSTRUMENTS**

**Table 1 of Diagram 7 of Annex 3A of Regulation no. 11971/1999**

Name or beneficiary class	Level	FRAMEWORK 2							
		Stock Option Grants							
		<u>Part 2</u>							
		Stock Options granted on 11 May 2009, as decided by the competent board.							
		Shareholder's resolution	Description of instrument	Number of financial instruments underlying stock options granted but not exercisable	Number of financial instruments underlying stock options exercisable but not yet exercised	Grant date by the Chairman or Chief Executive Officer	Exercise price	Market price of the underlying financial instruments at the grant date	Expiration of options
Other employees	Executives	07/05/2007	Stock options	200,000	-----	11/05/2009	€1.2237	€1.2238	11/05/2014

Name or beneficiary class	Level	<b>FRAMEWORK 2</b>							
		<i>Stock Option Grants</i>							
		<b><u>Part 2</u></b>							
		Stock Options granted on 18 December 2009, as decided by the competent board							
		Shareholder's resolution	Description of instrument	Number of financial instruments underlying stock options granted but not exercisable	Number of financial instruments underlying stock options exercisable but not yet exercised	Grant date by the Chairman or Chief Executive Officer	Exercise price	Market price of the underlying financial instruments at the grant date	Expiration of options
Paolo Timoni	Former CEO of Piaggio Group Americas Inc.	07/05/2007	Stock options	200,000	-----	18/12/2009	€1.826	€1.8818	18/12/2014
Ravi Chopra	Chief Executive Officer of Piaggio Vehicles Private Limited	07/05/2007	Stock options	100,000	-----	18/12/2009	€1.826	€1.8818	18/12/2014

Costantino Balbo Bertone di Sambuy	CEO of Piaggio Vietnam	07/05/2007	Stock options	70,000	-----	18/12/2009	€1.826	€1.8818	18/12/2014
Gabriele Galli	General manager Finance	07/05/2007	Stock options	250,000	-----	18/12/2009	€1.826	€1.8818	18/12/2014
Other employees	Executives	07/05/2007	Stock options	2,160,000	70,000	18/12/2009	€1.826	€1.8818	18/12/2014